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BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD POLICY,
RESEARCH, AND TECHNICAL ASSISTANCE
COMMITTEE

IN THE MATTER OF THE:)
)
POLICY, RESEARCH AND)
TECHNICAL ASSISTANCE)
COMMITTEE MEETING)
_____)
_____)
_____)

DATE AND TIME: TUESDAY, JULY 8, 1997
9:30 A.M.

PLACE: BOARD HEARING ROOM
8800 CAL CENTER DRIVE SACRAMENTO,
CALIFORNIA

REPORTER: MARK I. BRICKMAN, RPR, CSR
CERTIFICATE NO. 5527

BRS FILE NO.: 40867

APPEARANCES

MR. STEVEN R. JONES, CHAIRMAN
MR. PAUL RELIS, MEMBER
MR. DANIEL G. PENNINGTON, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER
MS. SUSAN SMALL, LEGAL COUNSEL
MS. JEANNINE BALCULICH, COMMITTEE SECRETARY

I N D E X

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CALL TO ORDER AND EX PARTES

5

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1 SACRAMENTO, CALIFORNIA - TUESDAY, JULY 8, 1997

2

3 CHAIRMAN JONES: GOOD MORNING. WE'RE
4 GOING TO CALL THIS MEETING OF THE POLICY,
5 RESEARCH, AND TECHNICAL ASSISTANCE FOR JULY 8TH TO
6 ORDER.

7 I HAVE TO MAKE A -- A LITTLE
8 DISCLAIMER HERE. ON THE AGENDA THAT WENT OUT, THE
9 FIRST ITEM, IT SAYS, "CONSIDERATION OF CRITERIA
10 FOR FISCAL YEAR." IT INADVERTENTLY SAID '97-'97,
11 BUT IT SHOULD HAVE SAID '97-'98. I THINK MOST
12 PEOPLE PROBABLY UNDERSTOOD THAT WHEN THEY READ IT,
13 BUT IT'S A CLERICAL MISTAKE THAT SHOULD BE CLEARED
14 UP.

15 DO WE HAVE ANY EX PARTE? MR.
16 PENNINGTON.

17 MEMBER PENNINGTON: MR. CHAIRMAN, I SPOKE
18 WITH PENNY WELCH THIS MORNING REGARDING THE
19 BLOOMBURY OPERATION.

20 CHAIRMAN JONES: MR. RELIS?

21 MEMBER RELIS: NO.

22 CHAIRMAN JONES: NO? NOR DO I. I THINK
23 ALL MINE ARE CURRENT.

24 WE HAVE GOT SPEAKER SLIPS IN THE
25 BACK. IF ANYBODY WANTS TO SPEAK TO ONE OF THE

1 AGENDA ITEMS, GO AHEAD AND FILL IT OUT AND BRING
2 IT UP FRONT AND WE WILL LET YOU SPEAK.

3 MEMBER PENNINGTON: MR. CHAIRMAN.

4 CHAIRMAN JONES: YES, SIR.

5 MEMBER PENNINGTON: I THINK -- I GUESS WE
6 DO NEED TO EX PARTE THE RADCLIFF MATTER, A LETTER
7 THAT WAS FAXED TO US ALL THIS MORNING.

8 CHAIRMAN JONES: YEAH. I THINK ALL THREE
9 OF US DO, AND I THINK JEANNINE EX PARTE'D THIS
10 WHEN IT CAME IN SO WE HAVE IT ON THE RECORD.

11 MEMBER PENNINGTON: DID YOU EX PARTE ALL
12 OF US?

13 CHAIRMAN JONES: YES. OKAY.

14 THE FIRST AGENDA ITEM IS
15 CONSIDERATION FOR CRITERIA FOR FISCAL YEAR '97-'98
16 ON THE TIRE RECYCLING GRANT PROGRAM FOR MOLDED
17 RUBBER PRODUCTS --

18 COMMITTEE SECRETARY: WE NEED TO DO THE
19 ROLL.

20 CHAIRMAN JONES: OH, GEEZ. I'M SORRY.
21 HOLD ON, CAREN. WE'RE GOING TO MAKE SURE WE'RE
22 ALL HERE.

23 COMMITTEE SECRETARY: BOARD MEMBER
24 PENNINGTON?

25 MEMBER PENNINGTON: HERE.

1 COMMITTEE SECRETARY: BOARD MEMBER RELIS?

2 MEMBER RELIS: HERE.

3 COMMITTEE SECRETARY: CHAIRMAN JONES?

4 CHAIRMAN JONES: HERE. SORRY ABOUT THAT.

5 COMMITTEE SECRETARY: WE'RE HERE AND

6 READY TO GO.

7 CHAIRMAN JONES: OKAY.

8 MS. TRGOVCICH: OKAY. THE FIRST ITEM

9 AGAIN, AS YOU STATED, IS CONSIDERATION FOR THE

10 CRITERIA FOR THE FISCAL YEAR '97-'98 TIRE

11 RECYCLING GRANT PROGRAM FOR MOLDED RUBBER

12 PRODUCTS.

13 JUST BY BRIEF WAY OF INTRODUCTION,

14 I'D JUST LIKE TO SET SOME CONTEXT THAT AT YOUR

15 APRIL BOARD MEETING IN SAN BERNARDINO, WE APPROVED

16 THE FISCAL YEAR ALLOCATION FOR '97-'98 FOR THE

17 TIRE FUND. THAT ALLOCATION INCLUDED A LARGE

18 NUMBER OF ITEMS, ONE OF IT -- WHICH WAS \$300,000

19 THAT WAS SET ASIDE FOR THE MOLDED RUBBER GRANT

20 PROGRAM.

21 BECAUSE OF THE BROAD RANGE OF

22 PRODUCTS THAT EXIST, EITHER SOME THAT HAVE

23 DEFINITE MARKETS OR SOME THAT ARE BUILDING THEIR

24 MARKETS RIGHT NOW, WE FELT THAT IT WAS APPROPRIATE

25 TO BRING THIS ITEM FORWARD TO COMMITTEE FOR THE

1 COMMITTEE TO WEIGH IN AND PROVIDE STAFF DIRECTION
2 AROUND THE SCOPE OF THE GRANT PROGRAM, THE TYPES
3 AND AMOUNTS OF PRODUCTS THAT WOULD BE MADE
4 AVAILABLE UNDER THIS GRANT PROGRAM.

5 JUST AS A WAY OF REMINDER, THIS
6 GRANT PROGRAM IS TARGETED AT LOCAL GOVERNMENT
7 PROCUREMENT. THIS IS A CLOSING-THE-LOOP GRANT
8 PROGRAM. THIS IS, YOU KNOW, AT THE END OF THE
9 LINE LOOKING AT THE PURCHASE OF THE MATERIALS AS A
10 STIMULUS FOR MARKET DEVELOPMENT.

11 AND WITH THAT, I'D LIKE TO TURN IT
12 OVER TO MARTHA GILDART.

13 MS. GILDART: AS CAREN INDICATED, THIS
14 WAS AN ATTEMPT TO STIMULATE THE MARKET FOR CRUMB-
15 RUBBER PRODUCTS. THE CONCEPT BEHIND THIS GRANT IS
16 THAT THE STATE WILL PROVIDE 50-PERCENT FUNDING FOR
17 THE PURCHASE AND USE OF MOLDED RUBBER PRODUCTS
18 MADE FROM TIRE CRUMB.

19 THERE IS A FAIRLY WIDE VARIETY OF
20 PRODUCTS AVAILABLE, BOTH THOSE THAT ARE MADE IN
21 FACTORIES THROUGH USE SUCH AS IRRIGATION HOSE,
22 SOAKER HOSE, TILES, PLAYGROUND MATS, BICYCLE
23 TIRES, ROOFING TILES, GROUND SURFACING, RAILROAD
24 CROSSING PATHS THAT LOCAL GOVERNMENTS COULD
25 PURCHASE AND USE.

1 THERE ARE ALSO CERTAIN PRODUCTS THAT
2 ARE FOREIGN PLATE MOLDED PRODUCTS SUCH AS RUNNING
3 TRACK SURFACES OR OTHER ATHLETIC SURFACES, WHICH,
4 WHILE NOT PRODUCED IN A MANUFACTURING SENSE IN A
5 MOLD, THEY'RE STILL LAID IN A FORM SUCH AS YOU
6 WOULD THE CONCRETE, AND WE FEEL WOULD QUALIFY
7 UNDER A MOLDED RUBBER PRODUCT GRANT PROGRAM.

8 AND I'VE GOT A COUPLE SAMPLES HERE
9 JUST SO YOU CAN SEE WHAT WE'RE TALKING ABOUT. THE
10 BICYCLE TIRE IS THE PRODUCT OF AN EARLIER GRANT.
11 IT'S A NON-INFLATABLE MOUNTAIN BIKE TIRE WITH THE
12 IDEA IT WON'T GO FLAT ON YOU WHEN YOU'RE OUT IN
13 THE BACKWOODS WHEN YOU'RE CRASHING OVER ROCKS AND
14 ALL. THE COMPANY IS ACTUALLY TARGETING THIRD
15 WORLD COUNTRIES FOR THE TIRE AS SOMETHING THAT
16 WOULD BE FAR MORE DURABLE THAN THE TRADITIONAL
17 INFLATABLE TIRE.

18 THERE'S ALSO ROOFING SHAKE THAT HAS
19 BEEN PRODUCED BY A GRANT FROM THE BOARD. IT'S
20 MOLDED TO LOOK LIKE WOOD AND HAS FIRE RETARDANTS
21 IN IT. THAT PROTOTYPE THAT WAS DEVELOPED AND
22 PLACED ON A ROOF IS ACTUALLY A BIT HEAVIER THAN
23 THE COMPANY WOULD LIKE. THEY'VE BEEN TRYING TO
24 SLIGHTLY REDESIGN IT FOR LIGHT WEIGHT.

25 AND THAT'S JUST A SAMPLE OF A KIND

1 OF TILE FLOOR MAT THAT YOU CAN PUT IN A CUSHION
2 FATIGUE-TYPE MATTING.

3 MEMBER PENNINGTON: QUESTION: THIS
4 ROOFING, DO THEY NAIL IT; DO THEY GLUE IT? DO YOU
5 KNOW?

6 MS. GILDART: THEY'RE -- THEY'RE NAILED.
7 IT'S APPLIED SIMILAR TO THAT.

8 I ALWAYS WONDERED HOW THEY PERFORM
9 IN A HAILSTORM.

10 MEMBER RELIS: THEY HAVE BEEN FIRE
11 TESTED, THOUGH?

12 MS. GILDART: THEY HAVE A FIRE RETARDANT
13 IN THEM.

14 MEMBER RELIS: IT'S NOT LIKE HAVING OIL
15 ON YOUR ROOF.

16 MS. GILDART: THEY'RE -- THEY'RE LESS
17 FLAMMABLE THAN WOOD SHAKES, BUT PROBABLY MORE SO
18 THAN ASPHALT BECAUSE ASPHALT SHINGLES, COMPOSITE
19 SHINGLES, ARE ACTUALLY A FIRE RETARDANT, SO THESE
20 WOULD BE IN BETWEEN. THAT WAS LIKE THE EARLY
21 PROTOTYPE. THEY HAVE DONE ONE HOUSE WITH THOSE
22 PHOTOGRAPHS THAT CAME IN A COUPLE YEARS AGO TO
23 SHOW THE RESULTS.

24 WHAT WE'RE TRYING TO DO IS SOME OF
25 OUR EARLIER GRANT PROGRAMS HAVE DEVELOPED THESE

1 PROTOTYPES, BUT THERE HASN'T BEEN MUCH IN THE WAY
2 TO EXPAND OR DEVELOP THE MARKETS FOR THEM. AND
3 WE'RE HOPING THROUGH THIS GRANT PROGRAM AND
4 THROUGH THE, YOU KNOW, PURCHASE BY LOCAL
5 GOVERNMENTS THAT IT WILL STIMULATE PEOPLE'S
6 INTEREST IN THESE PRODUCTS BECAUSE THEY'RE OUT
7 THERE WHERE THE PUBLIC CAN SEE THEM AND BECOME
8 FAMILIAR WITH THEM, AND IT MIGHT HELP STIMULATE
9 THE MARKET.

10 IN THE GRANT ITEM, WE TRIED TO GIVE
11 A LIST OF SOME OF THE KINDS OF PRODUCTS THAT WE
12 ARE AWARE ARE AVAILABLE. WE ARE STILL IN THE
13 PROCESS OF TRYING TO GATHER SOME COST DATA ON
14 THESE. A LOT OF THEM ARE NOT PRODUCED IN
15 CALIFORNIA. WE HOPE TO HAVE THAT AVAILABLE BY THE
16 TIME WE ACTUALLY DO THE NOTICE FOR THE GRANTS SO
17 THAT WE CAN SHARE IT WITH ANY OF THE APPLICANTS
18 THAT ARE NECESSARY. BUT THERE ARE PRODUCTS
19 LIKE -- ONCE AGAIN, A PRODUCT DEVELOPED THROUGH
20 THE BOARD GRANT WAS A RAILROAD CROSSING PAD, THE
21 ONE THAT GOES IN BETWEEN THE TRACKS MADE OUT OF
22 RECYCLED TIRE RUBBER.

23 THERE ARE MANY COMPANIES THAT ARE
24 MAKING VARIOUS KINDS OF IRRIGATION HOSES AND
25 SOAKER HOSES AND ALL OUT OF TIRE RUBBER. WE'VE

1 GOT ALL SORTS OF SURFACING, WHETHER IT'S FOREIGN
2 PLACED MATS, TILES, WHATEVER. THEY'VE GOT WAYS OF
3 MAKING THOSE.

4 SO THE BELIEF WAS THE LOCAL
5 GOVERNMENTS WOULD BE INTERESTED IN A 50-50 MATCH
6 OF THESE PRODUCTS.

7 ONE OF THE THINGS WE WANTED
8 DIRECTION FROM THE COMMITTEE, THE WAY THE GRANT
9 PROGRAMS ARE SET UP SO THAT THERE IS A SERIES OF
10 STANDARD CRITERIA THAT ALL GRANTS NEED TO MEET --
11 THEY'RE LISTED ON THE SECOND PAGE OF THE ITEM --
12 THE NEED FOR THE PROJECT, THE OBJECTIVES,
13 METHODOLOGY, WHETHER OR NOT THOSE OBJECTIVES WERE
14 ACCOMPLISHED, THE REASONABLENESS OF THE BUDGET
15 PROPOSED, COMPLETENESS OF THE APPLICATION. THOSE
16 ARE ALL PRETTY STANDARD GRANT REVIEW CRITERIA.

17 WHAT WE DID FOR THE TIRE PROGRAM IS
18 TRY AND ADOPT SPECIFIC CRITERIA FOR EACH GRANT
19 CYCLE. IN THIS CASE, THERE'S GOING TO BE A
20 REQUIREMENT OF A 50-50 PROJECT MATCH MINIMUM. WE
21 WILL BE LOOKING AT THE NUMBER OF TIRES DIVERTED
22 FROM DISPOSAL.

23 WE FEEL THIS ONE WILL GIVE US A WAY
24 TO ENCOURAGE LARGER PROJECTS. WE DON'T
25 PARTICULARLY WANT TO HAVE TO GIVE OUT A WHOLE

1 SERIES OF LIKE 1 AND \$2,000 GRANTS. WE'D RATHER
2 HANDLE A COUPLE 10, 20, \$30,000 GRANTS.

3 SO IF WE HAVE TO ABILITY TO RANK
4 PROJECTS BASED ON THE TOTAL VOLUME OF TIRES, WE
5 THINK THAT WILL GIVE PREFERENCE TO THE LARGER
6 PRODUCTS, BUT NOT ABSOLUTELY EXCLUDE, SAY, A SMALL
7 COMMUNITY WHO WOULD HAVE A VERY SMALL NEED FROM
8 PARTICIPATING IN THE PROGRAM.

9 THERE MIGHT BE OTHER CRITERIA WHICH
10 THEY COULD RANK HIGHLY AND STILL BE IN THE FUNDING
11 LEVEL. OBVIOUSLY THE DEGREE TO WHICH ADVERSE
12 ENVIRONMENTAL IMPACTS ARE AVOIDED BY THE USE OF
13 THE PRODUCTS TO MAKE SURE THAT THOSE PRODUCTS WHEN
14 INSTALLED ARE TO BE DONE SAFELY AND IN AN
15 ENVIRONMENTALLY SAFE MANNER, AND THEN THE
16 SPECIFICATION THAT THE TIRE RUBBER COME FROM
17 CALIFORNIA TIRES.

18 THERE ARE SOME OF THE COMPANIES ON
19 OUR LIST OF PRODUCT MANUFACTURERS WHO ARE OUTSIDE
20 OF CALIFORNIA. AND OUR THOUGHT WAS IF THEY COULD
21 SHOW THROUGH THE MANIFEST SYSTEM THAT THEY
22 RECEIVED CALIFORNIA TIRES, THAT WE COULD ALLOW
23 THEIR CRUMB-RUBBER TO BE USED IN OUR PRODUCTS HERE
24 IN THE STATE, AND THAT WOULD ALLOW COMPETITION AND
25 A WIDER VARIETY OF PRODUCTS TO BE AVAILABLE.

1 MEMBER RELIS: MR. CHAIRMAN.

2 CHAIRMAN JONES: YES.

3 MEMBER RELIS: I HAVE A QUESTION.

4 I'M LOOKING AT THE LIST OF THE
5 RECOMMENDED PRODUCT CATEGORIES, AND ONE OF THEM IS
6 THE RUNNING AND TRACK SURFACING, WHICH IS, I
7 GUESS, FOR, WHAT, LIKE A HIGH SCHOOL TRACK OR --

8 MS. GILDART: HIGH SCHOOL, SCHOOL, YEAH.

9 MEMBER RELIS: SO THAT MAKES ME THINK,
10 WELL, WHEN WE USE THE TERM "LOCAL GOVERNMENT,"
11 THESE ARE TERMS -- THIS IS A GRANT FOR LOCAL
12 GOVERNMENT.

13 DOES THIS MEAN THAT IF A SCHOOL
14 WANTED TO BUILD A RUBBER TRACK, WOULD THEY HAVE TO
15 GO IN WITH THE LOCAL GOVERNMENT ON THAT? WOULD
16 THE LOCAL GOVERNMENT HAVE TO BE THE APPLICANT OR
17 WHAT?

18 HOW DO YOU ENVISION -- BECAUSE I'M
19 ASSUMING A TRACK IS USUALLY AT A SCHOOL.

20 MS. TRGOVCICH: YOU WOULD -- YOU WOULD
21 HAVE THE ABILITY, MEMBER RELIS, TO BE ABLE TO
22 SPECIFY WHETHER OR NOT YOU WANTED THE TERM "LOCAL
23 GOVERNMENT" TO BE BROADENED TO INCLUDE SCHOOLS AND
24 SCHOOL DISTRICTS.

25 I'D JUST LIKE TO REMIND THE BOARD

1 THAT WE DO HAVE A PLAYGROUND MAT PROGRAM AGAIN
2 THIS YEAR, SO SCHOOL DISTRICTS WILL BE GETTING OR
3 RECEIVING SUPPORT FROM THE BOARD THROUGH THAT
4 GRANT PROGRAM AS WELL. RUNNING TRACKS COULD ALSO
5 BE INCLUDED JUST THROUGH, YOU KNOW, PARKS AND
6 RECREATIONAL DISTRICTS, THROUGH A VARIETY OF OTHER
7 MEANS, BUT YOU WOULD HAVE THAT DISCRETION.

8 MEMBER RELIS: I JUST WANT TO UNDERSTAND
9 THAT BECAUSE SOMETIMES YOU HAVE BOOSTER GROUPS,
10 ATHLETIC BOOSTER GROUPS, THAT WANT TO GET THE
11 TRACK REDONE. AND SO I'M WONDERING IF THE MATCH,
12 SAY, WERE TO COME FROM SUCH ASSOCIATIONS, WOULD
13 THEY BE ABLE TO APPLY AND SUCCESSFULLY.

14 MS. TRGOVCICH: I DON'T BELIEVE THAT THAT
15 IS OUR INTENT RIGHT NOW. IT IS TARGETED AT LOCAL
16 GOVERNMENT PROCUREMENT.

17 MEMBER RELIS: NO. WHAT I MEANT IS THEY
18 WOULD -- THE BOOSTER GROUP WOULDN'T APPLY, BUT
19 THEN IS THE SCHOOL ELIGIBLE AS A -- A LOCAL
20 ENTITY?

21 MS. TRGOVCICH: IF THE BOOSTER GROUP
22 PROVIDES THE 50-PERCENT MATCH, FOR EXAMPLE?

23 MEMBER RELIS: YES.

24 MS. TRGOVCICH: THAT WOULD BE AT YOUR
25 DISCRETION.

1 I THINK THAT FROM STAFF PERSPECTIVE,
2 WE WOULD WANT YOU TO LOOK AT, AS WELL AS THE OTHER
3 OPTION, TARGETING THIS TO LOCAL JURISDICTIONS, AND
4 THAT WOULD NOT NECESSARILY -- IT COULD INCLUDE
5 SCHOOLS OR COULD NOT, BUT WE ALREADY DO HAVE A
6 GRANT PROGRAM TARGETED --

7 MEMBER RELIS: I UNDERSTAND.

8 MS. TRGOVCICH: -- AT SCHOOLS, SO YOU MAY
9 WANT TO LIMIT IT TO LOCAL GOVERNMENTS, WHETHER
10 THEY WOULD BE LOOKING AT THEIR BROADER
11 RECREATIONAL FACILITIES THAT ARE NOT TIED IN TO
12 THE SCHOOL DISTRICTS.

13 MS. GILDART: WHEN WE WERE LOOKING INTO
14 THE -- LAST YEAR'S, THIS YEAR'S, WHATEVER,
15 PLAYGROUND MAT ISSUE, I DO BELIEVE THE COMMUNITY
16 COLLEGES WERE CONSIDERED SUBSETS OF LOCAL
17 GOVERNMENT, SO THEY -- AND WE CAN DOUBLE-CHECK
18 THIS TO MAKE SURE, BUT MY UNDERSTANDING IS THAT A
19 COMMUNITY COLLEGE WOULD QUALIFY AS A LOCAL
20 GOVERNMENT ENTITY. SO THAT MIGHT BE ONE ENTITY
21 THAT WE COULD REACH OUT TO THAT WE HAVEN'T ALREADY
22 PROVIDED SOME FUNDING AS WE HAVE THROUGH THE
23 SCHOOL PLAYGROUND MAT PROGRAM, AND WE MIGHT BE
24 ABLE TO WORK THROUGH COMMUNITY COLLEGES OR
25 SOMETHING. WE CAN LOOK INTO THAT.

1 CHAIRMAN JONES: OKAY. ANY OTHER
2 QUESTIONS?

3 MEMBER PENNINGTON: THE 50-PERCENT MATCH,
4 IS THAT STRICTLY A CASH MATCH?

5 MS. TRGOVCICH: WHAT WE DID FOR THE PRIOR
6 GRANTS, THE PLAYGROUND MATS THAT CAME THROUGH AND
7 OTHER GRANT PROGRAMS IS -- IS MATCH AS IT RELATES
8 TO THE OVERALL PROJECT COST. SO IT COULD BE -- IT
9 WOULDN'T NECESSARILY JUST HAVE TO BE CASH. IT
10 COULD BE OTHER SERVICES ASSOCIATED WITH THE
11 INSTALLATION OF THE PRODUCT.

12 MEMBER PENNINGTON: SO IN-KIND
13 CONTRIBUTIONS WOULD BE CONSIDERED?

14 MS. GILDART: LABOR WOULD BE A
15 PARTICULARLY APPROPRIATE MATCH, YES.

16 MS. TRGOVCICH: IN-KIND --

17 MS. GILDART: UNLESS THE COMMUNITY HAS
18 OTHER DIRECTION. WE'VE DONE THIS IN THE PAST
19 WHERE LABOR WOULD QUALIFY AS PART OF THE COMMUNITY
20 AND THEY'RE GOING TO INSTALL IT.

21 MEMBER PENNINGTON: IF THE CITY CREW
22 INSTALLS IT, THAT'S CONSIDERED -- OR THE COUNTY
23 THAT DOES THAT.

24 MEMBER RELIS: WOULD THAT INCLUDE --
25 AGAIN, JUST GETTING BACK TO MY EARLIER COMMENT,

1 LIKE A VOLUNTARY -- SUPPOSE YOU HAD A CONTRACTOR
2 WHO AGREED TO PROVIDE LABOR OR A NUMBER OF
3 CONTRACTORS. WOULD THAT -- EVEN -- ANY FORM OF
4 LABOR.

5 MS. GILDART: IN THAT CASE, I BELIEVE THE
6 COMMUNITY WOULD BE PAYING FOR THAT LABOR AND THEY
7 WOULD CLAIM IT AS A CASH MATCH AGAINST OURS.

8 CHAIRMAN JONES: BUT I THINK WHAT --
9 EVEN --

10 MEMBER RELIS: I'M SAYING IN-KIND. IT IS
11 IN-KIND. IT WOULD BE CONTRIBUTED LABOR.

12 MS. TRGOVCICH: SO YOU'RE TALKING
13 VOLUNTARY LABOR IS WHAT YOU'RE TALKING ABOUT?

14 MEMBER RELIS: IF YOU'RE WILLING TO
15 INSTALL, YOU WOULD PAY FOR THAT, SO IT -- NORMALLY
16 THE WAY I UNDERSTAND IT, THAT'S IN-KIND.

17 MS. TRGOVCICH: I BELIEVE THAT THE WAY
18 WE'VE LOOKED AT THE GRANT PROGRAMS IN THE PAST IS
19 PROJECT COST, AND THAT IS NOT AN IDENTIFIED
20 PROJECT COST. IT WOULD NOT CONTRIBUTE TOWARDS THE
21 MATCH. THAT HAS BEEN PAST PRACTICE.

22 IF IT'S -- AS I UNDER UNDERSTAND
23 YOUR -- YOUR -- LINE OF QUESTIONING, IF A BOOSTER
24 GROUP --

25 MEMBER RELIS: YEAH.

1 MS. TRGOVCICH: -- CHOSE TO COME OUT AND
2 HELP INSTALL THE PRODUCT, PROVIDE THE LABOR FREE
3 OF CHARGE, ARE WE GOING TO SOMEHOW TOTAL UP WHAT
4 THOSE COSTS WOULD HAVE BEEN AND APPLY THAT TOWARDS
5 THE PROJECT MATCH?

6 MEMBER RELIS: THAT'S RIGHT.

7 MS. GILDART: TOM BEACH WAS JUST
8 REMINDING ME FOR THE PLAYGROUND MAT THIS LAST
9 YEAR, WE HAD NOT INCLUDED VOLUNTEER LABOR BECAUSE
10 IT WAS GOING TO BE DIFFICULT TO EVALUATE THAT
11 LABOR. THAT DOESN'T MEAN WE CAN'T. WE NEED TO
12 COME UP WITH A WAY OF GIVING SORT OF A CONSISTENT
13 VALUE TO THAT LABOR. WE'VE GOT VOLUNTEERS AND
14 THEY'RE WORTH \$20 AN HOUR, AND SOMEONE ELSE HAD
15 \$10 AN HOUR VOLUNTEERS. IF WE COULD COME UP WITH
16 A CONSISTENT WAY OF EVALUATING THAT LABOR, I THINK
17 IT WOULD BE POSSIBLE. WE JUST HAVE NOT DONE IT IN
18 THE PAST.

19 MEMBER RELIS: BECAUSE AT LEAST FROM MY
20 EXPERIENCE, LABOR'S LABOR. THEY MIGHT BE BETTER
21 OR WORSE WORKERS, YOU KNOW. IF THEY'RE
22 VOLUNTEERS, IT MIGHT TAKE THEM LONGER, OBVIOUSLY.
23 IF THEY WERE ON A -- YOU KNOW, THEY DON'T HAVE THE
24 SAME SKILLS NECESSARILY AS A CONTRACT GROUP, BUT
25 ITS VALUE, LABOR, IS OFTEN HALF THE COST OR MORE

1 OF A PROJECT.

2 MS. TRGOVCICH: ONE THING MAYBE JUST TO
3 REMINDE THE COMMITTEE MEMBERS AS WELL IS PART OF
4 WHAT WE'RE TRYING TO DO HERE IS GET THE WORD OUT
5 THAT THESE PROJECTS ARE -- THAT THESE TYPES OF
6 PRODUCTS ARE APPROPRIATE, THAT THE USE WORKS, AND
7 WE WOULD WANT TO MAKE SURE THAT THEY'RE INSTALLED
8 IN SUCH A WAY THAT WE'RE NOT GOING TO HAVE OTHER
9 PEOPLE COMING ALONG AND TAKING A LOOK AT THIS USE
10 AND SAYING, "OH, MY GOD. THIS IS THE LAST THING
11 I'D WANT ON MY PROPERTY."

12 SO WE WOULD WANT TO MAKE SURE THAT
13 IT'S QUALITY LABOR BECAUSE WHAT WE'RE TRYING TO DO
14 IS DEMONSTRATE THE MARKET.

15 MEMBER RELIS: RIGHT. GOOD POINT.

16 CHAIRMAN JONES: YEAH. I THINK THAT IF
17 YOU LOOK AT MOST OF THE MATERIALS THAT YOU'VE
18 LISTED HERE, REALLY THE RUNNING TRACK SURFACES
19 WOULD BE PROBABLY THE ONLY ONE WHERE THERE WOULD
20 BE SOME KIND OF LABOR, AND THEY CAN -- THEY'RE
21 CREATIVE. THEY CAN --

22 MEMBER RELIS: YEAH.

23 CHAIRMAN JONES: THEY CAN FIGURE OUT A
24 WAY TO --

25 MEMBER PENNINGTON: THE FIREHOUSE AND

1 THEY WANT TO PUT AN EXTRA BAY IN AND THEY USE THIS
2 KIND OF STUFF TO DO IT, THE VOLUNTEERS WOULD
3 PROBABLY DO IT.

4 THERE IS A COST, AND THERE WOULD BE
5 A COST ASSOCIATED IN SOME FASHION, EITHER THE
6 VOLUNTEERS REPLACE THE LOCAL GOVERNMENT EMPLOYEES
7 OR THE CONTRACTOR'S EMPLOYEES.

8 CHAIRMAN JONES: AGAIN, WE WOULDN'T HAVE
9 A PROBLEM WITH THAT, RIGHT? IF THEY GOT A BID
10 FROM XYZ CONSTRUCTION COMPANY OF \$20,000 TO DO AN
11 INSTALL AND THEY OPTED NOT TO USE THEM, THEY USED
12 VOLUNTEER LABORERS, THEY WOULD -- THAT 20,000
13 WOULD BE 20,000 FOR SERVICE, RIGHT?

14 MS. TRGOVCICH: YOU'RE GETTING INTO AN
15 AREA OF THE GRANT DISCUSSION THAT I WOULD PREFER
16 PERHAPS TO DISCUSS WITH COUNSEL AND GET BACK TO
17 YOU BECAUSE PART OF THE EVALUATION -- WE'RE GOING
18 TO BE RANKING THESE APPLICATIONS. AND PART OF THE
19 EVALUATION WILL BE THE COST PROPOSAL THAT COMES
20 IN. AND SO IF WE RANK APPLICATIONS BASED UPON THE
21 PROPOSAL PLUS THE COSTS AND THEN THOSE COSTS
22 SOMEHOW CHANGE, THEN THAT MAY HAVE CHANGED THE
23 SCORE OF THE APPLICATION.

24 YOU KNOW, WHETHER YOU CHANGE THE
25 COST OF THE LABOR, WHETHER YOU CHANGE THE TYPE OF

1 PRODUCT BEING APPLIED AFTER YOU RECEIVE THE GRANT,
2 WHETHER -- THERE'S A VARIETY OF FACTORS THAT COULD
3 CHANGE THAT MAY HAVE RESULTED IN A CHANGE IN THE
4 SCORING PROCESS WHICH MAY HAVE RESULTED IN THAT
5 ENTITY NOT RECEIVING FUNDING ON THE ORIGINAL
6 RANKING PROCESS.

7 MEMBER RELIS: MR. JONES.

8 CHAIRMAN JONES: YES.

9 MEMBER RELIS: IT SEEMS TO ME, OKAY, THE
10 POINT YOU'VE JUST RAISED, CAREN, I UNDERSTAND
11 THAT. YOU WANT TO AVOID GOING OUT, GETTING A BID,
12 AND THEN DOING IT ON A VOLUNTEER BASIS USING THE
13 BID AS THE BASIS FOR ESTABLISHING THE VALUE OF THE
14 VOLUNTEER LABOR. BUT, I MEAN, COULDN'T STAFF
15 WRITE UP CRITERIA IN SUCH A WAY, LET'S SAY "LABOR
16 FACTOR WILL BE CONSIDERED UNDER THE FOLLOWING
17 TERMS."

18 THE APPLICANT WOULD HAVE TO
19 DEMONSTRATE SOME REASONABLE FACTOR, YOU KNOW, ON
20 AN HOURLY OR FULL-TIME EQUIVALENT BASIS RATHER
21 THAN HAVING TO TAKE THIS ALL THE WAY BACK TO LEGAL
22 TO TELL US, WELL, THERE'S SOME WAYS WE COULD GET
23 IN TROUBLE AT THE BOARD IF WE WERE TO COMPARE BIDS
24 THAT WAY BECAUSE I THINK WE UNDERSTAND THAT.
25 WE -- WE EXPECT THAT YOU'LL KEEP US OUT OF THAT

1 TYPE OF PROBLEM. I THINK WE JUST NEED SOME
2 SENSIBLE CRITERIA.

3 MS. GILDART: I THINK WE'D HAVE TO LOOK
4 INTO IT AND SEE IF IT'S BEEN DONE ELSEWHERE WITHIN
5 THE STATE. BUT WE MIGHT, BEFORE THE GRANT NOTICE
6 GOES OUT, ESTABLISH A BID SHEET ON WHAT WE WOULD
7 RECOGNIZE AS LABOR COSTS.

8 IF IT'S VOLUNTEER LABOR, LIKE IF WE
9 HAD A STANDARD SAYING, OKAY. DITCH DIGGING, X
10 DOLLARS AN HOUR, DIFFERENT ACTIVITIES THAT WE
11 WOULD --

12 MEMBER PENNINGTON: I GUESS, YOU KNOW,
13 EACH COMMUNITY PROBABLY PAYS THEIR WORKERS
14 DIFFERENT SALARIES TOO, SO I MEAN, IF WE'RE GOING
15 TO GET DOWN THAT FAR TO IT, WE HAVE A PROBLEM.

16 I THINK THE POINT IS THAT -- THAT
17 WE'RE TRYING TO MAKE THIS AVAILABLE. AS CAREN
18 SAYS, WE WANT TO SEE HOW THE PRODUCTS HOLD UP AND
19 WHETHER THEY'RE WORTHWHILE PRODUCTS, SO WE'RE
20 ALWAYS TAKING THE LOCAL COMMUNITY AS A PARTNER.
21 AND CERTAINLY SOME LOCAL COMMUNITIES CANNOT AFFORD
22 TO PARTICIPATE IN THIS PROGRAM IF THEY HAVE TO
23 COME UP WITH, YOU KNOW, 20,000 OR \$25,000 WORTH OF
24 CASH, AND IT WOULD SEEM THAT WE WOULD BE ABLE TO
25 FIGURE OUT A WAY TO MAKE THEIR CONTRIBUTION OF

1 EITHER VOLUNTARY LABOR OR THEIR OWN LABOR OR
2 SOMETHING BE ABLE TO BE PART OF THAT BID AND NOT
3 BE UNFAIR TO THOSE THAT CAN'T AFFORD IT.

4 MS. TRGOVCICH: WHAT WE CAN DO --

5 MEMBER PENNINGTON: WE'VE GOT A LOT OF
6 RURAL COMMUNITIES THAT THIS IS THE ONLY WAY THAT
7 THEY CAN AFFORD TO PARTICIPATE.

8 MS. TRGOVCICH: WHAT WE CAN DO, IF IT'S
9 THE DIRECTION OF THE COMMITTEE, THAT YOU WANT TO
10 INCLUDE VOLUNTEER LABOR AS AN ELIGIBLE MATCH COST.
11 WE WILL FIND A WAY TO DO THAT.

12 WE WILL DEVELOP EITHER FORMULAS
13 BASED UPON THE TYPE OF PRODUCT BEING APPLIED OR
14 THE TYPE OF WORK BEING PERFORMED, BUT PERHAPS
15 THERE'S AN OVERALL FORMULA WE CAN PROVIDE AND
16 DEVELOP OR ARRANGE, AND WE WILL DO THAT IF THAT'S
17 THE DIRECTION OF THE COMMITTEE.

18 MEMBER PENNINGTON: IT WOULD CERTAINLY BE
19 MY FEELING THAT WE AT LEAST LOOK INTO IT.

20 I DON'T WANT TO GET INTO A SYSTEM
21 THAT'S SO COMPLICATED THAT IT THWARTS ANYBODY FROM
22 APPLYING OR THAT IT BECOMES TOO DIFFICULT, BUT I
23 WOULD LIKE US TO LOOK AT BEING ABLE TO SAY THE 50-
24 PERCENT MATCH IS CASH OR SOME KIND OF AN IN-KIND
25 SERVICES FOR VOLUNTEER SERVICES OR SOME WAY TO

1 EVALUATE THAT SO THAT THE LESS AFFLUENT
2 COMMUNITIES CAN PARTICIPATE IN THE PROGRAM.

3 MEMBER RELIS: AND SINCE THE PROGRAM IS
4 COMPETITIVE, THE QUALITY OF THE DOCUMENTATION OF
5 THE IN-KIND COMPONENT WOULD BE A SCORING FACTOR,
6 AND SO THEY -- IF THEY DON'T BACK UP THEIR CASE,
7 THEY -- THEY WOULD FALL OUT OF THE -- THE -- BID.

8 MS. TRGOVCICH: ONE OF THE WAYS THAT WE
9 CAN DESCRIBE HOW YOU COUNT VOLUNTEER LABOR AS A
10 MATCH -- AS A PORTION OF THE MATCH MAY BE CERTAIN
11 THINGS THAT NEED TO BE INCLUDED TO DESCRIBE HOW
12 YOU EVALUATED THAT VOLUNTEER LABOR, HOW YOU ASSIGN
13 THE COSTS, AND THESE ARE THE FACTORS AND CRITERIA
14 THAT WE'LL BE LOOKING AT TO MAKE SURE THAT YOU'VE
15 DONE A GOOD JOB WITH THAT.

16 MEMBER PENNINGTON: RIGHT. ABSOLUTELY.

17 MS. TRGOVCICH: THAT'S ANOTHER GOOD
18 OPTION INSTEAD OF SETTING COSTS.

19 MEMBER PENNINGTON: WE CAN'T LET THEM SET
20 VOLUNTEER LABOR COSTS. OH, GEE, WE HAVE THREE
21 LAWYERS OUT THERE DIGGING A DITCH AT \$300 AN HOUR.

22 CHAIRMAN JONES: IT DEPENDS HOW GOOD THE
23 LAWYER IS SWINGING THE HAMMER.

24 MEMBER PENNINGTON: THEY'RE CHEAP
25 LAWYERS.

1 MEMBER RELIS: JUST TO GO ON BACK TO THE
2 EARLIER POINT I WAS MAKING, I DON'T KNOW HOW -- I
3 DON'T KNOW IF THERE'RE SPEAKERS ON THIS AT ALL.

4 CHAIRMAN JONES: THERE ARE NOT.

5 MEMBER RELIS: BUT MY UNDERSTANDING IS
6 THAT IF YOU'RE A JUNIOR COLLEGE OR YOU'RE A HIGH
7 SCHOOL, YOU WOULD BE ABLE TO ACCESS THESE FUNDS
8 UNDER THE, QUOTE, LOCAL GOVERNMENT?

9 CHAIRMAN JONES: I WOULD THINK SO, RIGHT?
10 I MEAN, I DON'T -- I UNDERSTAND YOU -- I
11 UNDERSTAND THE ISSUE WITH WHAT WE'VE ALREADY GOT
12 SET ASIDE FOR SCHOOLS. MAYBE THERE IS A VEHICLE
13 THAT THOSE SCHOOLS CAN GO THROUGH THEIR LOCAL
14 GOVERNMENT TO DO THAT, AND THAT WOULD PRECLUDE A
15 LOT OF -- YOU KNOW, THEY'RE ALREADY GETTING, WHAT,
16 300 GRAND. THEY'RE AT 300 GRAND IN MATS.

17 I DON'T KNOW THAT WE WANT TO GIVE
18 THEM ANOTHER 300 GRAND FOR POUR-IN-PLACE RUNNING
19 TRACKS TOO. IT WOULD BE NICE TO SEE SOME SHINGLES
20 SOMEWHERE ON SOME OF THESE OTHER THINGS.

21 ANYWAY --

22 MS. TRGOVCICH: WHAT WAS -- WHAT WE'RE
23 SEEKING FROM YOU AND WE'VE RECEIVED YOUR DIRECTION
24 THAT YOU WANT TO INCLUDE VOLUNTEER LABOR COSTS.

25 WHAT WE'RE ALSO LOOKING FOR IS WE'VE

1 MADE A RECOMMENDATION ON THE TYPES OF PRODUCTS
2 THAT WE ARE LOOKING AT MAKING THIS GRANT AVAILABLE
3 FOR, WHETHER OR NOT YOU AGREE WITH THE RANGE OF
4 PRODUCTS THAT'S INCLUDED IN THE STAFF, AND THEN
5 ALSO IN TERMS OF NOT THE GENERAL CRITERIA LISTED
6 AT THE TOP OF THE PAGE, BECAUSE THOSE ARE SENT
7 FORWARD TO THE GRANT BOARD'S OVERALL GRANT
8 PROGRAM, BUT THE SPECIFIC CRITERIA IN THE MIDDLE
9 OF THE PAGE, A, B, C, AND D, WHETHER OR NOT YOU
10 AGREE WITH THOSE SPECIFIC CRITERIA. AND BASED
11 UPON THIS DIRECTION, WE'LL GO BACK AND WE'LL
12 DEVELOP, THEN, THE -- THE GRANT PACKAGE THAT WOULD
13 THEN BE MADE AVAILABLE.

14 MEMBER RELIS: OKAY.

15 CHAIRMAN JONES: OKAY. WE'RE ALL OF ONE
16 MIND THAT BUFFINGS AND CRUMB-RUBBER ARE ALL
17 CRUMB-RUBBER, ARE WE NOT?

18 THAT WAS AN ISSUE THAT CAME UP AND I
19 AGREED. I DON'T WANT TO GET LETTERS JUST WHEN
20 THIS GETS READY TO GO OUT SAYING, YOU KNOW,
21 EXCLUDE THE REST OF THE COMPETITION.

22 MS. TRGOVCICH: YOU'LL LIKELY GET THOSE
23 LETTERS, BUT THE CONCERN --

24 CHAIRMAN JONES: NOW YOU CAN SAY THE
25 COMMITTEE ALL NODDED THEIR HEADS YES. ALL RIGHT.

1 THEN ARE WE IN AGREEMENT WITH THE STAFF
2 RECOMMENDATIONS THAT HAVE LISTED BOTH THE PRODUCTS
3 AND THE CRITERIA?

4 MEMBER RELIS: MR. CHAIR.

5 MEMBER PENNINGTON: WITH SOME AMENDMENTS
6 TO SOME OF THEM.

7 MEMBER RELIS: OH, YOU HAVE SOME
8 AMENDMENTS.

9 CHAIRMAN JONES: GO AHEAD.

10 MEMBER PENNINGTON: THE ADJUSTMENT THAT
11 THEY'RE LOOKING TO LOOK AT THE VOLUNTEERS.

12 MS. TRGOVCICH: AND WHAT CONSTITUTES A
13 LOCAL GOVERNMENT.

14 MEMBER RELIS: YEAH. AND WHAT
15 CONSTITUTES A LOCAL, YES.

16 SO I WOULD MOVE THE ITEM. I MOVE
17 THE ADOPTION OF THE CRITERIA.

18 MEMBER PENNINGTON: DO WE MOVE THE
19 MOTION?

20 MS. TRGOVCICH: YES. IT WOULD -- IT
21 WOULD HELP TO HAVE A MOTION.

22 MEMBER PENNINGTON: I'LL SECOND IT, THEN.

23 CHAIRMAN JONES: IT IS MOVED BY MEMBER
24 RELIS, SECONDED BY MEMBER PENNINGTON, THAT WE
25 ACCEPT THE CRITERIA WITH THOSE AMENDMENTS THAT WE

1 HAD TALKED ABOUT.

2 JEANNINE, WE NEED A VOTE.

3 COMMITTEE SECRETARY: MEMBER RELIS?

4 MEMBER RELIS: YES.

5 COMMITTEE SECRETARY: MEMBER PENNINGTON?

6 MEMBER PENNINGTON: AYE.

7 COMMITTEE SECRETARY: CHAIRMAN JONES?

8 CHAIRMAN JONES: AYE. ALL RIGHT.

9 MS. TRGOVCICH: CAN THIS BE PLACED ON THE
10 CONSENT CALENDAR?

11 CHAIRMAN JONES: I THINK IT PROBABLY
12 COULD. ANY -- THAT'S NOT A PROBLEM, RIGHT?

13 ALL RIGHT. OKAY. ITEM NO. 2, A
14 DISCUSSION OF THE STATUTORY AND REGULATORY STATUS
15 OF BALED WASTE TIRES AND THEIR POTENTIAL USE IN
16 CIVIL ENGINEERING PROJECTS.

17 MS. RICE: THANK YOU, MR. CHAIRMAN AND
18 MEMBERS. GOOD MORNING.

19 WE'LL HAVE A BRIEF STAFF
20 PRESENTATION BEGINNING WITH MICHAEL KEFFER, AND
21 THEN MICHAEL WILL TURN IT OVER TO MARTHA GILDART.

22 MR. KEFFER: GOOD MORNING, MR. CHAIRMAN
23 AND MEMBERS OF THE COMMITTEE.

24 AGENDA ITEM NO. 2 WILL INCLUDE A
25 PRESENTATION REGARDING THE STATUTORY AND

1 REGULATORY STATUS OF BALED WASTE TIRES, FOR WHICH
2 I WILL BE RESPONSIBLE, AND A PRESENTATION
3 REGARDING THE POTENTIAL USE OF TIRE BALES IN CIVIL
4 ENGINEERING PROJECTS TO BE GIVEN BY MS. MARTHA
5 GILDART OF THE WASTE PREVENTION AND MARKET
6 DEVELOPMENT DIVISION.

7 A WASTE TIRE IS DEFINED IN THE
8 CALIFORNIA CODE OF REGULATIONS AS THE TIRE THAT IS
9 NO LONGER ON THE WHEEL OF A VEHICLE AND NO LONGER
10 SUITABLE FOR ITS INTENDED USE DUE TO WEAR, DAMAGE,
11 DEFECT, OR DEVIATION FROM THE MANUFACTURER'S
12 ORIGINAL SPECIFICATIONS. THIS DEFINITION --
13 DEFINITION INCLUDES ALL USED TIRES, ALTERED WASTE
14 TIRES, RECAPPABLE CASINGS AND SCRAP TIRES.

15 ALTHOUGH BALED WASTE TIRES ARE NOT
16 SPECIFICALLY MENTIONED IN THIS DEFINITION, THE
17 BOARD ON TWO PREVIOUS OCCASIONS HAS ADDRESSED
18 THEIR REGULATORY STATUS. IN MARCH OF 1993, THE
19 BOARD ADOPTED RESOLUTION 93-27, WHICH APPROVED
20 VARIOUS METHODS OF ALTERING WASTE TIRES TO ACHIEVE
21 VOLUME REDUCTION.

22 THESE METHODS APPROVED AS MEETING
23 THE MINIMUM STANDARDS FOR SOLID WASTE HANDLING AND
24 DISPOSAL INCLUDED QUARTERING AND SLICING, BAGEL
25 SPLITTING, SIDEWALL REMOVAL AND BALING.

1 BALING IS DEFINED IN THE RESOLUTION
2 TO BE THE MECHANICAL COMPRESSION AND SECURING OF
3 ALL WASTE TIRES INTO A BALE. BY PLACING BALED
4 TIRES UNDER THE DEFINITION OF AN ALTERED WASTE
5 TIRE, THE BOARD ALLOWED FOR THEIR DISPOSAL AT
6 PERMITTED SOLID WASTE DISPOSAL FACILITIES.

7 THE BOARD ADDRESSED THE SUBJECT OF
8 BALED WASTE TIRES AGAIN IN 1994. IN ITS
9 CONSIDERATION OF TIRE GRANT PROPOSALS FOR FISCAL
10 YEAR 1994-95, THE BOARD APPROVED THE ISSUANCE OF A
11 \$63,867 GRANT TO GAYNOR & ASSOCIATES FOR THE
12 CONSTRUCTION OF A RETAINING WALL IN HUMBOLDT
13 COUNTY USING BALED WASTE TIRES.

14 PRIOR TO THE USAGE OF THE BALED
15 TIRES IN THIS PROJECT, THE TWO FIRMS ON WHOSE
16 PROPERTY THE BALES WERE STORED WERE REQUIRED TO
17 OBTAIN AN EXCLUSION FROM THE BOARD FOR THAT
18 STORAGE. THE DETAILS OF THIS CIVIL ENGINEERING
19 PROJECT WILL BE DISCUSSED LATER IN THE
20 PRESENTATION BY MS. GILDART.

21 INCLUSION OF BALED WASTE TIRES IN
22 THE STATUTORY AND REGULATORY DEFINITION OF A WASTE
23 TIRE HAS BEEN CHALLENGED BY WENBURY ENVIRONMENTAL
24 COMPANY, INCORPORATED, ALSO KNOWN AS RUBBERTECH.

25 BEFORE SPECIFICALLY ADDRESSING THAT

1 CHALLENGE, I WOULD LIKE TO QUICKLY SUMMARIZE THE
2 PRECEDING EVENTS.

3 IN FEBRUARY OF 1997, WENBURY
4 RECEIVED FROM THE BOARD AN EXCLUSION FROM THE
5 INDOOR STORAGE OF WASTE TIRES. DURING INITIAL
6 DISCUSSIONS REGARDING THIS EXCLUSION, MR. ROBERT
7 BOWEN, CHAIRMAN AND CEO OF WENBURY, INDICATED TO
8 BOARD STAFF THAT THE FACILITY WAS BEING
9 ESTABLISHED TO COLLECT WASTE TIRES AND COMPRESS
10 THEM INTO BALES. THE BALES WOULD THEN BE
11 TRANSPORTED TO A NEARBY PORT FOR STORAGE. WHEN A
12 SUFFICIENT NUMBER OF BALED WASTE TIRES HAD BEEN
13 ACCUMULATED AT THE PORT, THE BALES WOULD BE LOADED
14 ONTO A CARGO SHIP FOR EXPORT TO SOUTH AFRICA FOR
15 USE IN THE MANUFACTURING OF CEMENT.

16 IN MARCH WENBURY'S EXCLUSION WAS
17 AMENDED TO ALLOW FOR THE STORAGE OF WASTE TIRES IN
18 FULLY ENCLOSED MOVABLE CONTAINERS AND FOR THE
19 STORAGE OF LESS THAN 5,000 WASTE TIRES ON THE
20 GROUND OUTSIDE OF THE WAREHOUSE IF 90 PERCENT OF
21 THOSE TIRES WERE PROCESSED WITHIN A 150-DAY
22 PERIOD. THESE AMENDMENTS WERE MADE IN ACCORDANCE
23 WITH THE WASTE TIRE FACILITY PERMITTING
24 REGULATIONS.

25 DURING A SITE VISIT TO WENBURY THE

1 FOLLOWING MONTH, PERMITS GRANT STAFF OBSERVED IN
2 EXCESS OF 5,000 WASTE TIRES BEING STORED OUTSIDE
3 OF THE WAREHOUSE, MOST OF THEM ALREADY PROCESSED
4 INTO BALES. THOSE BALES WERE APPROXIMATELY A
5 HUNDRED TO 150 TIRES PER BALE.

6 THE BALES, ACCORDING TO MR. BOWEN,
7 WERE AWAITING LOADING AND SHIPMENT TO A DAIRY IN
8 STANISLAUS COUNTY WHERE THEY WERE TO BE USED IN
9 THE REPAIR OF LEVEES DAMAGED BY THE FLOODS OF
10 JANUARY 1997.

11 PERMITS BRANCH STAFF INFORMED MR.
12 BOWEN THAT THE STORAGE OF 5,000 OR MORE TIRES
13 OUTSIDE THE WAREHOUSE WAS A VIOLATION OF THE
14 EXCLUSION ISSUED TO WENBURY.

15 IN MAY, BOARD MEMBER STEVEN JONES
16 AND MS. DOROTHY RICE, DEPUTY DIRECTOR OF THE
17 PERMITTING AND ENFORCEMENT DIVISION, RECEIVED
18 LETTERS FROM MR. BOWEN IN WHICH HE CHALLENGED THE
19 INCLUSION OF BALED TIRES UNDER THE DEFINITION OF A
20 WASTE TIRE. MR. BOWEN STATED THE BALES
21 REPRESENTED A PROCESSED PRODUCT OR VALUABLE
22 COMMODITY AND, THEREFORE, SHOULD NOT BE SUBJECT TO
23 WASTE TIRE STORAGE PERMITTING REQUIREMENTS.

24 SINCE THE ADOPTION OF THE WASTE TIRE
25 FACILITY PERMITTING REGULATIONS IN NOVEMBER OF

1 1993, STAFF FROM THE BOARD'S PERMITTING AND
2 ENFORCEMENT DIVISION HAVE ALWAYS INTERPRETED THE
3 DEFINITION OF A WASTE TIRE TO INCLUDE BALED TIRES.

4 THE INCLUSION OF BALED TIRES UNDER
5 THIS DEFINITION THUS REQUIRES ANY FACILITY
6 OPERATOR STORING 500 OR MORE TIRES -- THIS WOULD
7 REPRESENT FOUR TIRE BALES AT 150 WASTE TIRES PER
8 BALE -- TO OBTAIN PRIOR APPROVAL FROM THE BOARD IN
9 ORDER TO BE IN COMPLIANCE WITH THE WASTE TIRE
10 FACILITY PERMITTING REGULATIONS.

11 IN THE LETTER TO MR. BOWEN DATED
12 JUNE 5TH, 1997, MS. SUZANNE SMALL, STAFF COUNSEL
13 FOR THE BOARD'S LEGAL OFFICE, SUPPORTED THE
14 STAFF'S INCLUSION OF TIRE BALES UNDER THE
15 STATUTORY AND REGULATORY DEFINITION OF A WASTE
16 TIRE, THUS DENYING MR. BOWEN'S CHALLENGE.

17 THIS CONCLUDES MY PRESENTATION. ARE
18 THERE ANY QUESTIONS I MIGHT ANSWER FOR THE
19 COMMITTEE PRIOR TO MS. GILDART'S PRESENTATION?

20 CHAIRMAN JONES: GO AHEAD.

21 MR. KEFFER: THANK YOU.

22 MS. GILDART: GOOD MORNING. I'M GOING TO
23 DESCRIBE BOTH THE GAYNOR & ASSOCIATES PROJECT THAT
24 WE, THE BOARD, FUNDED UP IN HUMBOLDT COUNTY AND
25 WHAT WE CONSIDERED REQUIREMENTS FOR USE OF THE

1 BALED TIRES.

2 THE GAYNOR PROJECT WAS A \$63,000
3 GRANT FROM THE '94-'95 FISCAL YEAR POWER RECYCLING
4 GRANT PROGRAM CYCLE, AND THEY WERE BUILDING A
5 STABILIZATION BANK FOR A ROADWAY IN HUMBOLDT, AND
6 THERE'S ACTUALLY QUITE A BIT OF DESIGN.

7 THE BALED TIRES ARE PLACED IN WHAT
8 ARE CALLED GAVIONS. THEY'RE LIKE WIRE CAGES. I'M
9 GOING TO SHOW YOU THE SEQUENCING HERE. THE -- THE
10 FIRST STAGE AFTER THE EXCAVATION AND LEVELING OF
11 THE SITE WITH GRAVEL AND DIRT IS PLACING THESE
12 WIRE WALLED AREAS. THE BALES THEN ARE PLACED ON
13 TOP OF THAT, AND YOU CAN SEE THEY'RE -- THEY'RE
14 BANDED, TYPICAL BALE CONSTRUCTION. IT'S THE
15 EXTERIOR STRUCTURE AND SECONDARY CONTAINMENT
16 SYSTEM HERE THAT'S OF INTEREST.

17 IT DOESN'T REALLY SHOW UP AS WELL ON
18 THE TELEVISION. I CAN HAND OUT THE PHOTOGRAPHS
19 AFTERWARDS TOO SO YOU CAN SEE MORE CLEARLY. THE
20 WIRE NETTING IS PLACED UNDERNEATH AT THE SIDES AND
21 THEN UP TOP GRAVEL IS INFILLED. THIS IS DONE FOR
22 EACH LAYER OF BALED TIRES THAT ARE PLACED.

23 THE EXTERIOR WALL, AND AS YOU CAN
24 SEE, GOES THE FULL DEPTH OF THE FILL AND THEN
25 ITSELF IS FILLED WITH SOIL AND GRAVEL. THEY'RE

1 ALL HOOKED TOGETHER. AND THEN THE FINAL SURFACE
2 IS GRADED AND SHAPED WITH EARTH AND, YOU KNOW,
3 SEEDED AND WHATEVER KIND OF VEGETATION TO PREVENT
4 EROSION.

5 MEMBER RELIS: GALVANIZED WIRE?

6 MS. GILDART: THE THEORY IS THAT THE --
7 THE BALE STRUCTURE IS DESIGNED TO WITHSTAND KNOWN
8 LOADS. IT'S TO RESIST ANY KIND OF SLIPPAGE OR
9 MOVEMENT OF SOILS.

10 THERE'S A SECONDARY CONTAINMENT
11 SYSTEM SO THAT THE BALES THEMSELVES WILL NOT
12 RELEASE TIRES IF AND WHEN THE BANDS BREAK. WE'RE
13 CONFIDENT THAT THESE MATERIALS WILL STAY IN PLACE
14 UNTIL SUCH TIME PEOPLE WISH TO REDESIGN THE ROAD.

15 IN OUR PROGRAM DEVELOPING MARKETS
16 AND PRODUCTS, WE TRY TO LOOK AT THE VALUE ADDING
17 FOR A PRODUCT, THAT IT TAKES IT FROM THE WASTE TO
18 AN END PRODUCT USE BECAUSE THEY HAVE DONE
19 SOMETHING TO IT TO ADD VALUE. IN OUR PROGRAM, WE
20 HAVE, I THINK IT'S, THREE YEARS NOW OF BOARD
21 POLICY ON WHAT ARE ELIGIBLE AND INELIGIBLE COSTS
22 FOR A LOAN. AND SORTING, COLLECTING, AND BALING
23 HAVE NOT YET BEEN INCLUDED AS ELIGIBLE COSTS
24 BECAUSE THEY ARE CONSIDERED SHIPMENT PER EASE OF
25 HANDLING FOR STORAGE ACTIVITIES.

1 IT MAY BE A NECESSARY PRECURSOR FOR
2 PROJECTS SUCH AS THIS GAYNOR ONE THAT WE HAVE THE
3 BALES CREATED, BUT THAT TO CREATE THE END USE,
4 THERE ARE FURTHER ENGINEERING DESIGN CRITERIA TO
5 BE MET AND A SECONDARY CONTAINMENT SYSTEM.

6 DO YOU HAVE ANY QUESTIONS ABOUT THAT
7 PROJECT OR --

8 MEMBER PENNINGTON: NOT RIGHT NOW. THANK
9 YOU.

10 CHAIRMAN JONES: OKAY. THANK YOU,
11 MARTHA. WE'VE GOT FOUR SPEAKERS, ALL FROM --
12 ASSOCIATED WITH WENBURY. AND I WILL -- YOU GUYS
13 CAN DECIDE HOW YOU WANT TO DO THIS PRESENTATION.

14 WE'VE GOT SERGEANT JIM HANSON FROM
15 TRACY POLICE DEPARTMENT, STEVE MANDICH FROM
16 RUBBERTECH, SCOTT PINSKY FROM WENBURY, THE
17 LEGAL -- THEIR LEGAL REPRESENTATION, AND JOE
18 BRICKY, WHO'S THEIR VICE-PRESIDENT, SO I'LL LET
19 YOU GUYS DECIDE HOW YOU WANT THIS TO GO.

20 MR. PINSKY: THANK YOU, MR. CHAIRMAN,
21 MEMBERS OF THE COMMITTEE. SCOTT PINSKY OF
22 RADCLIFF, FRANDSEN & DONGELL ON BEHALF OF
23 WENBURY/RUBBERTECH.

24 I'D LIKE TO BRIEFLY INTRODUCE THE --
25 THE REMARKS THAT WE INTEND TO MAKE. I DON'T

1 INTEND TO SPEAK VERY LONG MYSELF, BUT I'D LIKE TO,
2 IN ESSENCE, PUT THIS TOPIC INTO CONTEXT AND THEN
3 TURN OVER TO THE FOLKS ON THE GROUND, IF YOU WILL,
4 THE PODIUM AND HAVE REPRESENTATIVES OF THE COMPANY
5 AND THE COMMUNITY GO AHEAD AND -- AND ADDRESS THE
6 COMMITTEE.

7 CHAIRMAN JONES: MR. PINSKY, JUST ONE
8 SECOND.

9 MR. PINSKY: SURE.

10 CHAIRMAN JONES: THE -- I DON'T KNOW IF
11 MY FELLOW BOARD MEMBERS HAD A CHANCE TO READ
12 THROUGH YOUR -- THIS CAME REAL EARLY THIS MORNING,
13 AND SEVEN OF THE PAGES WERE UNREADABLE, SO WE
14 DIDN'T GET THOSE UNTIL ABOUT TWO MINUTES BEFORE WE
15 WALKED INTO THIS COMMITTEE. SO OUT OF FAIRNESS TO
16 YOU, I JUST WANT YOU TO BE AWARE THAT I DON'T KNOW
17 IF ANY OF US GOT A CHANCE TO --

18 MEMBER RELIS: JUST SKIMMING.

19 CHAIRMAN JONES: -- GO THROUGH IT.

20 I DON'T WANT YOU TO THINK THAT WE'RE
21 AS AWARE OF WHAT YOU WANT TO SAY.

22 MR. PINSKY: I APPRECIATE THAT. I'LL TRY
23 TO RECTIFY THE COPYING MISTAKE THAT I WAS UNAWARE
24 OF UNTIL YOU MENTIONED IT. SO APOLOGIES FOR THAT.
25 WE'LL MAKE SURE YOU GET COMPLETE COPIES AND

1 HOPEFULLY IN THE COMMITTEE'S TIME LATER AFTER THE
2 HEARING, THERE WILL BE AN OPPORTUNITY TO GO
3 THROUGH THE COMMENTS. THEY'RE NOT LENGTHY, AND I
4 WON'T REPEAT THEM HERE BECAUSE YOU WILL HAVE THEM
5 IN WRITING IN COMPLETE FORM AT SOME POINT BEFORE
6 THE END OF THE DAY. SO I'LL LET THE -- THE
7 WRITTEN COMMENTS SPEAK FOR THEMSELVES.

8 BASICALLY I'D LIKE TO INTRODUCE THE
9 COMPANY TO THOSE MEMBERS OF THE BOARD THAT HAVEN'T
10 HAD AN OPPORTUNITY TO -- TO BECOME FAMILIAR WITH
11 RUBBERTECH. RUBBERTECH IS A -- AN INNOVATIVE
12 COMPANY IN THE AREA OF TIRE RECYCLING THAT IS HERE
13 TODAY TO PRESENT TO YOU ITS CONCEPT FOR UTILIZING
14 RECYCLED TIRES, FORMERLY WASTE TIRES, THAT CAN BE
15 TRANSFORMED INTO A VALUABLE COMMODITY IN THE
16 COMPANY'S VIEW THROUGH INNOVATIVE TECHNOLOGIES
17 THAT THE COMPANY HAS DEVELOPED.

18 THE COMPANY HAS ITS OWN PATENT FOR
19 THE BALING PROCESS AND HAS THE UNIQUE FORM OF
20 MACHINERY THAT ENABLES IT TO CREATE BALES FOR USE
21 IN CIVIL ENGINEERING APPLICATIONS THAT ARE UNIQUE
22 TO IT, THAT HAVE BEEN SPECIFICALLY DESIGNED FOR
23 THE PURPOSES OF UTILIZING THIS FORMERLY WASTE
24 MATERIAL INTO A PRODUCT THAT CAN BENEFIT THE
25 ENVIRONMENT THROUGH REMOVING WASTE FROM THE

1 WASTESTREAM, PLACING IT INTO A CIVIL ENGINEERING
2 APPLICATION NOT DISSIMILAR FROM WHAT WE SAW IN THE
3 PRESENTATION A MOMENT AGO.

4 RUBBERTECH IS SEEKING TO DEVELOP
5 MEANS TO CONVERT THESE WASTE TIRES INTO A PRODUCT,
6 INCLUDING EITHER BALING OF TIRES, TIRE-DERIVED
7 FUELS, TIRE CHIPS OR CRUMBS, AND VARIOUS OTHER
8 USES THAT THIS FORMERLY WASTE MATERIAL CAN BE PUT
9 TO: AGAIN, REMOVING IT FROM THE WASTESTREAM,
10 MAKING IT A VALUABLE COMMODITY, GIVING JOBS IN THE
11 PROCESS, MINIMIZING LANDFILL NEEDS AND SO FORTH.

12 BALED TIRES, WE WOULD MAINTAIN FROM
13 A LEGAL PERSPECTIVE, ARE NOT SPECIFICALLY
14 ADDRESSED IN THE STATUTES AND REGULATIONS THAT
15 APPLY TO WASTE TIRE USE AND RECYCLING.

16 WE FEEL THAT IT IS AN AMBIGUITY IN
17 THE LAW AT THIS POINT THAT THIS COMMITTEE IS RIPE
18 TO ADDRESS, AND IT IS OUR RECOMMENDATION, AS WE
19 PUT FORTH IN OUR COMMENTS, THAT WE'LL AGAIN GET TO
20 YOU SHORTLY, THAT THE BOARD ACT TO CLEAR UP THIS
21 AMBIGUITY IN THE REGULATIONS BY EITHER MODIFYING
22 OR AMENDING OR ADDING TO THE EXISTING REGULATIONS
23 IN THIS AREA TO CREATE A SPECIFIC REGULATION THAT
24 ADDRESSES BALED TIRES. AND WE'VE GIVEN SOME
25 SUGGESTED LANGUAGE IN THE COMMENTS THAT WE INVITE

1 THE COMMITTEE TO CONSIDER.

2 ONE SPECIFIC ADDITIONAL POINT THAT
3 I'M DRIVEN TO SUGGEST, BASED ON THE COMMENTS OF
4 THE COMMITTEE STAFF, IS THAT ANY REGULATION THAT
5 MAY BE CONSIDERED AND IMPLEMENTED BY THE COMMITTEE
6 CONCERNING BALED TIRES BE CONNECTED TO OR HAVE THE
7 REGULATION WRITTEN IN SUCH A WAY THAT THE -- THE
8 DEFINITION OF THE PRODUCT OR COMMODITY BALED TIRES
9 BE SOMEHOW LINKED TO A USE OF THAT COMMODITY, AND
10 THAT THAT IS A SUGGESTION THAT WE THINK WOULD
11 ENABLE THE COMMITTEE TO HAVE CONFIDENCE AND THE
12 BOARD ITSELF TO HAVE CONFIDENCE THAT, AGAIN, THIS
13 IS A PRODUCT.

14 IF -- IF YOU CAN TAKE THE ITEM AND
15 SOMEHOW CONNECT IT TO WHERE IT'S GOING RATHER THAN
16 SIMPLY DEFINE WHAT IT IS AND CREATE, THEREFORE AN
17 EXEMPTION THAT ENABLES REAL LEGITIMATE USERS OF
18 THIS PRODUCT TO BE TAKEN OUT OF THE REGULATORY
19 FRAMEWORK THAT REQUIRES PERMITS AND THESE KINDS
20 OF -- OF COMPLIANCE PROBLEMS, YOU THEREFORE
21 ENCOURAGE THE APPROPRIATE USES OF THIS COMMODITY
22 AND YOU ENABLE THE COMMITTEE AND -- AND THE STATE
23 TO MAINTAIN ITS OVERSIGHT AND REGULATION OF THOSE
24 OPERATIONS WHERE, IN FACT, A REAL LEGITIMATE USE
25 OF A COMMODITY IS NOT BEING MADE. I WON'T BELABOR

1 THAT POINT, BUT I -- I DID WANT TO AMPLIFY THAT IF
2 NOT SPECIFICALLY ADDRESSED IN THE COMMENTS.

3 WE DO GIVE LANGUAGE, BUT I THINK
4 THAT IF THE COMMITTEE'S GOING TO -- TO ACT ON OUR
5 RECOMMENDATION, WHICH WE HOPE IT WILL, TO CLARIFY
6 THE REGULATIONS AND ADDRESS THE BALED TIRE ISSUE,
7 WE THINK IT CERTAINLY IS APPROPRIATE FOR THE
8 COMMITTEE TO MAKE THAT -- THAT CHANGE IN THE
9 REGULATIONS SOMEHOW LINKED TO USE OF THE TIRES
10 THAT THE BALE CAN BE USED FOR.

11 I WON'T AMPLIFY THE -- THE LEGAL
12 ARGUMENT. WE THINK IT'S FAIRLY WELL PRESENTED IN
13 THE PAPERS THAT WE'VE SUBMITTED, AND WE WILL
14 CONTINUE TO SUBMIT TO THE BOARD.

15 THE PALM SPRINGS CASE BY THE U.S.
16 SUPREME COURT IS PROBABLY THE SEMINAL CASE. I
17 DON'T BELIEVE THAT THAT ADDS A GREAT DEAL OF
18 CLARITY ON THE ISSUE.

19 I THINK THIS IS -- THIS IS THE TYPE
20 OF ISSUE THAT NEEDS TO BE ADDRESSED SPECIFICALLY
21 BY THE BOARD THROUGH REGULATION, BUT WE DON'T
22 THINK THAT THE REGULATION THAT WE'RE PROPOSING IS
23 AT ALL INCONSISTENT WITH THE STATE OF THE LAW
24 AS -- AS AMPLIFIED BY THE U.S SUPREME COURT'S
25 DECISION IN PALM SPRINGS.

1 THEREFORE, I'D LIKE TO TURN IT OVER.
2 AGAIN, JUST TO REITERATE, WE'RE HERE FOR POLICY
3 REASONS TO -- TO MAKE PRESENTATION TO THE BOARD ON
4 THE GENERAL USE OF THIS COMMODITY, BALED TIRES, IN
5 THE COMMUNITY.

6 WE ARE ONE COMPANY THAT HOPES TO BE
7 ABLE TO MAKE A VALUABLE CONTRIBUTION TO THAT
8 UTILIZATION, AND WE FEEL THAT IT'S AN APPROPRIATE
9 TIME AND -- AND PLACE FOR THE BOARD TO ADDRESS
10 THIS ISSUE, TO GET COMFORT WITH THE FACT THAT
11 WE'RE HERE TO STAY AS A COMPANY WITH A SPECIFIC
12 AND SIGNIFICANT INVESTMENT OF TIME, MONEY,
13 TECHNOLOGY, BRAIN POWER, AND RESOURCES IN
14 ATTEMPTING TO GET THIS PRODUCT OFF THE GROUND, IF
15 YOU WILL, AND MAKE IT A VALID AND VIABLE COMMODITY
16 IN THE COMMUNITY THAT CAN SERVE THE ENVIRONMENT,
17 SERVE PRIVATE ENTERPRISE, AND -- AND SERVE THE
18 WASTE MANAGEMENT NEEDS OF THE STATE.

19 I'D LIKE TO INTRODUCE TWO
20 REPRESENTATIVES OF THE COMPANY. AND AS YOU KNOW,
21 MR. HANSON IS HERE FROM THE TRACY POLICE DEPART-
22 MENT AS WELL.

23 FROM RUBBERTECH, MR. JOE BRICKY WILL
24 SPEAK BRIEFLY. HE IS VICE-PRESIDENT OF THE
25 COMPANY, WHO HAS COUNTYWIDE EXPERIENCE IN THE

1 MERCED COUNTY AREA DEALING WITH ECONOMIC
2 DEVELOPMENT ISSUES. HE HAS WORKED CLOSELY WITH
3 THE ECONOMIC DEVELOPMENT CORPORATION OF THE MERCED
4 COUNTY IN EFFORTS TO ATTRACT TO THE COUNTY IN
5 ORDER TO DEVELOP THE ECONOMIC VITALITY OF THAT
6 REGION BUSINESSES THAT THE COUNTY CONSIDERS
7 CONSISTENT WITH THE PUBLIC PURPOSES OF MERCED, OF
8 ITS CITIZENS, AND OF THE COMMUNITY AND THE STATE
9 AT LARGE.

10 AND HE HAS SUCCEEDED IN DOING SO IN
11 SPECIFICALLY ATTRACTING RUBBERTECH TO MERCED
12 COUNTY, SPECIFICALLY TO FULFILL THE PURPOSES OF
13 THE COUNTY'S ECONOMIC DEVELOPMENT OBJECTIVES. HE
14 IS NOW WORKING AT RUBBERTECH, WHICH EMPLOYS OVER
15 100 LOCAL COUNTY RESIDENTS OR LOCAL AREA
16 RESIDENTS, MOST, IF NOT ALL, OF WHOM WERE
17 RECRUITED FROM THE EMPLOYMENT DEVELOPMENT
18 DEPARTMENT OF THE COUNTY AND, THEREFORE, ARE NO
19 LONGER ON WELFARE ROLLS AND OTHER ASSISTANCE
20 PROGRAMS OF THE COUNTY BECAUSE THEY'RE WORKING FOR
21 ABOVE MINIMUM WAGE JOBS AT RUBBERTECH, AND HE CAN
22 TELL YOU A LITTLE BIT ABOUT THAT.

23 ALSO, WE WOULD LIKE TO PRESENT THE
24 EXECUTIVE VICE-PRESIDENT OF RUBBERTECH, MR. STEVE
25 MANDICH, WHO WILL DESCRIBE TO YOU THE SPECIFIC

1 TECHNOLOGICAL APPLICATIONS THAT HE HAS BROUGHT TO
2 BEAR FOR RUBBERTECH. HE HAS OVER 20 YEARS OF
3 EXPERIENCE IN THE WASTE BUSINESS, INCLUDING 15
4 YEARS IN THE SPECIFIC AREA OF WASTE TIRE
5 RECYCLING. HE HOLDS TWO PATENTS IN THIS AREA, AND
6 HE WILL SPEAK TO THE COMMITTEE ON THE USES OF
7 WASTE TIRES TRANSFORMED INTO A PRODUCT
8 SPECIFICALLY IN THE AREA OF BALED TIRES.

9 ONCE WE'VE HAD AN OPPORTUNITY TO
10 HAVE THESE GENTLEMEN AND PERHAPS MR. HANSON
11 PRESENT, WE'D LIKE TO JUST BRIEFLY HAVE OUR
12 REMARKS AND THEN OPEN UP FOR QUESTIONS THAT ANY OF
13 THE COMMITTEE MEMBERS MIGHT HAVE TODAY, AND THANK
14 YOU FOR YOUR TIME TODAY AND PUTTING US ON THE
15 AGENDA.

16 MR. BRICKY: GOOD MORNING, MR. CHAIRMAN,
17 MEMBERS OF THE COMMITTEE. MY NAME IS JOE BRICKY.
18 I'M VICE-PRESIDENT OF RUBBERTECH. AND AS MR.
19 PINSKY MENTIONED, I WAS PART OF THE TEAM THAT
20 INCLUDED THE TRADE AND COMMERCE AGENCY IN THE
21 GOVERNOR'S OFFICE THAT RECRUITED RUBBERTECH TO
22 MERCED COUNTY.

23 ONE OF THE -- ONE OF THE IMPORTANT
24 REASONS AND VALUE -- VALUE THAT RUBBERTECH HAS TO
25 MERCED COUNTY AND TO THE COMMUNITY IS THAT MERCED

1 IS A RURAL COMMUNITY WITH HIGH UNEMPLOYMENT AND A
2 VERY LARGE PERCENTAGE OF THE POPULATION ON
3 WELFARE. AND THE TYPE OF JOBS THAT RUBBERTECH
4 OFFERS TO MERCED ARE WELL ABOVE MINIMUM WAGE TO A
5 POPULATION THAT'S MAYBE A LOT OF -- A LOT OF
6 PEOPLE UNDEREDUCATED THAT WOULDN'T HAVE THAT
7 OPPORTUNITY, AND THEY'RE ALSO JOBS THAT ARE FULL
8 TIME AND FULLY BENEFITED, WHICH IS ALSO RARE TO
9 THE TARGET GROUP OF WORKERS THAT ARE WORKING AT
10 RUBBERTECH.

11 AND SO THAT WAS ONE OF THE REASONS
12 THAT I COMMITTED TO THE COMPANY, AS WELL, BECAUSE
13 I SAW RUBBERTECH AS BEING A VERY VALUABLE MEMBER
14 OF THE COMMUNITY, AND WE'RE -- WE AS A COMPANY ARE
15 DOING WHAT WE CAN TO INCREASE THE POSSIBILITIES OF
16 RECYCLING IN THE TIRE INDUSTRY.

17 YOUR DECISION IN THIS POLICY ISSUE
18 IS CRITICAL TO THE FUTURE OF RUBBERTECH AND TO THE
19 MERCED COMMUNITY, AND I HOPE YOU WILL LISTEN
20 CAREFULLY TO OUR ARGUMENTS AND THEN WEIGH THEM
21 WITH, YOU KNOW, THE CREDENCE THAT THEY DESERVE.

22 I UNDERSTAND THIS IS A VERY CRITICAL
23 ISSUE FOR YOU BECAUSE OF THE DIFFERENT HISTORY OF
24 TIRES AND -- AND PEOPLE WANTING TO USE AND TRY
25 DIFFERENT THINGS THAT DON'T WORK OUT. YOU END UP

1 WITH WHAT I'VE HEARD AS LITTLE TIRE PILES AROUND
2 THE COMMUNITIES AND THE DIFFERENT AREAS OF THE
3 STATE.

4 WE'RE TRYING TO AVOID THAT, AND WE
5 WANT TO COOPERATE WITH YOU AS MUCH AS POSSIBLE,
6 BUT ON A MARKETING -- ON A MARKETING LEVEL, WE
7 NEED YOUR ASSISTANCE IN EXPEDITING THE ABILITY FOR
8 US TO GET OUR PRODUCT TO OUR CUSTOMERS AND MAKING
9 THAT AS EASY AS POSSIBLE. AND WITH YOUR HELP,
10 WE'RE PRETTY POSITIVE THAT THE PRODUCTS WILL MOVE,
11 AND IT WILL BE A VERY VALUABLE RECYCLING INDUSTRY.

12 AND I INVITED JIM HANSON TO SPEAK
13 TODAY FROM TRACY POLICE DEPARTMENT BECAUSE ONE OF
14 OUR MAIN USES OF BALES IS IN THE CONSTRUCTION OF
15 RANGES AND SHOOT HOUSES FOR POLICE DEPARTMENTS.

16 WE HAVE OVER 30 DIFFERENT POLICE
17 DEPARTMENTS INTERESTED IN THE USE OF THE BALES FOR
18 THAT SPECIFIC USE. MR. HANSON IS A RANGE MASTER
19 AT TRACY, AND HE HAS A VERY LARGE PROJECT UNDER
20 WAY THAT WE ARE PARTICIPATING IN. AND HE'LL BE
21 ABLE TO SPEAK TO THAT, AND YOU CAN ASK ANY
22 QUESTIONS THAT YOU WOULD LIKE.

23 THANK YOU. AND MR. STEVE MANDICH
24 WILL BE SPEAKING NEXT.

25 MR. MANDICH: MR. CHAIRMAN, MEMBERS OF

1 THE BOARD, MY NAME IS STEVE MANDICH, AND I'D LIKE
2 TO JUST BRIEFLY GO OVER THE BALE SITUATION. WE'VE
3 RETAINED DR. DANA HUMPHREY, WHO'S THE LEADING
4 PROPONENT FOR CIVIL ENGINEERING IN TIRES IN THE
5 UNITED STATES. HE WAS GOING TO BE HERE, BUT HE
6 COULDN'T. I'VE GOT A LETTER FROM HIM ADDRESSING
7 THIS. IF YOU WANT TO TAKE A LOOK AT IT AFTER,
8 I'LL SUPPLY IT TO YOU.

9 THE FIRST THING THAT WE DID WITH
10 BALES WAS DESIGN A FIRING RANGE IN 1990 IN CANADA
11 THAT'S STILL IN EXISTENCE. THE FBI USED THE
12 FACILITY AND SO DID THE NATIONAL GUARD.

13 IN ORDER TO ESTABLISH THIS IN
14 CALIFORNIA, WE THOUGHT WE WOULD TURN AROUND
15 LOCALLY, BUILD A COUPLE MODELS OF THESE SO THEY
16 COULD COME AND TAKE A LOOK AT SOME OF THE
17 RE-ENGINEERING THAT WE'VE DONE WITH THESE SHOOTING
18 RANGES THAT ARE DIFFERENT THAN THEY WERE IN 1990.

19 WE'VE ALSO RETAINED NELSON
20 ENGINEERING, WHO HAS WORKED WITH CIVIL ENGINEERING
21 IN BALES SINCE 1992. THE COST ON THE FIRING
22 RANGES IS ABOUT ONE-THIRD THE COST OF TRADITIONAL
23 RANGES. AND AMONGST THE 30 ORDERS THAT WE HAVE
24 NOW FOR FIRING CHANGES, THE LARGEST ONES, AS SOON
25 AS THE TRACY PROJECT IS DONE, IS THE FBI, WHO HAVE

1 A TRAINING CENTER HERE IN CALIFORNIA.

2 THE NATIONAL GUARD IS ALSO -- WANTS
3 TO TAKE A LOOK AT IT AND -- AND EXPRESSED AN
4 INTEREST IN PURCHASING BALES, SO WE THINK THERE'S
5 A STRONG MARKET FOR THOSE BALES IN FIRING RANGES.

6 THE OTHER USE THAT WE'RE DOING WITH
7 BALES IS LEVEE REPAIRS AND BUILDING PONDS AND
8 POOLS. I BROUGHT WITH ME SOME DRAWINGS, ENGINEER
9 DRAWINGS, FROM NELSON ENGINEERING. THE LARGE DAM
10 THAT THEY BUILT HERE, THEY'RE ALSO -- I'LL LET YOU
11 PASS THAT AROUND.

12 THE -- THE STATE OF ARKANSAS IS --
13 AS THAT DAM WAS BEING BUILT, HAVE VIDEOTAPED,
14 PHOTOGRAPHED WITH ENGINEERS ON-SITE EVERY SINGLE
15 DAY. WE EXPECT WITHIN 30 DAYS A FINAL VIDEO WILL
16 BE DONE, AND ALL THE PICTURES WILL BE PUT TOGETHER
17 SO THAT WE CAN PRESENT IT TO YOU.

18 THE OTHER AREA THAT WE'VE -- THEY'VE
19 DONE ENGINEERING ON THIS IS A SWIMMING POOL USING
20 BALES. AND THE THIRD ONE THAT WE HAVE HERE -- AND
21 ALL OF THOSE ARE SINCE '95. THEY'RE NOT SOMETHING
22 THAT'S JUST BRAND NEW. THE FRONT OF A RESTAURANT
23 WAS USED TO CREATE A BERM AND A WALKWAY.

24 THE ARMY CORPS OF ENGINEERS HAS
25 WORKED WITH THIS PROJECT IN -- IN ARKANSAS. WE

1 HAVE -- WE HAVE CORRESPONDENCE FROM THEM ON THAT
2 AS WELL.

3 THE OTHER AREAS THAT WE'RE
4 LOOKING -- THAT WE'VE ALREADY FOUND MARKETS FOR
5 WITH DR. DANA HUMPHREYS IS 2-INCH CHIPS FOR SEPTIC
6 TANKS, AND WE'VE CONTACTED LOCAL CONTRACTORS AND
7 GONE OVER ALL OVER ALL THE ADVANTAGES OF USING
8 CHIPS OVER GRAVEL, AND WE FEEL THERE'S A VERY,
9 VERY STRONG MARKET IN THAT AREA.

10 IS THERE ANY QUESTIONS?

11 MEMBER RELIS: YOU JUST USED THE TERM
12 THEN. DO YOU USE THE TERM "ECOBLOCKS"? IS THAT
13 YOUR TERM OR IS THAT --

14 MR. MANDICH: WE'VE CALLED THEM
15 ECOBLOCKS. WE'VE CALLED THEM EVERYTHING BUT A
16 BALED TIRE.

17 CHAIRMAN JONES: NO. WE AGREE WITH DR.
18 HUMPHREY THAT TIRE CHIPS IN -- IN LEACH FIELDS, AT
19 LANDFILLS, ON THOSE TYPES OF THINGS ARE ON CIVIL
20 ENGINEERED PROJECTS. WE DON'T HAVE A PROBLEM WITH
21 THAT. WE THINK HE'S ONE OF THE BEST TOO. WE HAD
22 HIM COME OUT AND GIVE A CLASS.

23 MR. MANDICH: WE WERE HERE WHEN HE WAS
24 HERE.

25 CHAIRMAN JONES: I KNOW.

1 I THINK SOME OF OUR ISSUES ARE GOING
2 TO DEAL MORE WITH THE ACTUAL, YOU KNOW, BALED
3 TIRES. I THINK YOU'RE RIGHT ON TARGET WITH THE
4 CHIPS AND WITH SUCH THINGS, AND I THINK YOU'RE ON
5 TARGET WITH THE BALES TOO.

6 MR. MANDICH: WHAT I WANT TO STRESS IS
7 WHEN WE DO IT, WE'VE GONE THROUGH ALL OF THE STEPS
8 TO MAKE SURE THAT IT'S DONE PROPERLY AND
9 ENGINEERED PROPERLY BECAUSE I CAN'T HAVE A MARKET
10 SELLING THESE UNLESS WE CAN TURN AROUND AND PROVE
11 THAT THIS WORKS AND DOES WHAT IT DOES.

12 CHAIRMAN JONES: RIGHT.

13 MR. MANDICH: THE -- THE FBI HAVE DONE
14 STUDIES ON THE ONE, THE FIRST ONE THAT WE BUILT,
15 AND THEY LOOK AT IT AS HAVING BETWEEN 20- AND 30-
16 YEAR LIFESPAN, DEPENDING ON HOW ACTIVE THE RANGES
17 ARE. AND WHAT THEY'RE LOOKING AT IS A VERY LARGE
18 COMPLEX WHERE THEY'RE GOING TO TURN AROUND AND
19 BRING IN FULL SIZE BUSES FOR HOSTAGE SIM --
20 SIMULATION AND STUFF LIKE THAT. AND THERE ISN'T
21 ANYTHING SAFER OR CHEAPER THAN -- THAN DOING IT
22 THIS WAY.

23 AND -- AND IF YOU TURN AROUND AND
24 LOOK AT THE LEAD THAT'S SHOT JUST INTO THE EARTH
25 AND LEFT IN THE EARTH WITH THE WATER TO LEACH

1 VERY MUCH FOR ACCORDING ME THIS OPPORTUNITY TO
2 SPEAK TODAY. YESTERDAY I HAD THE OPPORTUNITY TO
3 GIVE A TOUR OF MY FACILITY, MY TRAINING FACILITY.
4 I CALL IT MINE BECAUSE IT WAS A DREAM THAT'S NOW
5 COMING TRUE. IT'S NOT MINE. IT IS THE CITY OF
6 TRACY'S PROJECT. AND WHAT IT AMOUNTS TO IS HOW DO
7 WE BUILD A TRAINING FACILITY TO TRAIN OFFICERS AND
8 MAKE SURE THAT, FIRST AND FOREMOST, THEIR SAFETY
9 DURING THAT TRAINING PROCESS IS GUARANTEED.

10 WE LOOKED AT SEVERAL DIFFERENT
11 METHODS AS THE THINGS THAT WE NEEDED. WE NEEDED A
12 RANGE, WE NEEDED A SHOTGUN COURSE, AND WE NEEDED A
13 LIVE FIREHOUSE. WE NEEDED SOME VIRTUAL REALITY-
14 TYPE TRAINING. WE ALSO LOOKED AT A HOGAN'S ALLEY.
15 ALL OF THESE THINGS HAVE BEEN BUILT BEFORE, AND
16 THEY'VE ALL BEEN BUILT IN OTHER LOCATIONS, NEVER
17 AT OURS.

18 THE FBI HAS A HOGAN'S ALLEY, AND I
19 CAN TELL YOU NOW THAT THAT'S A DAILY REPAIR JOB
20 FOR THE FBI TO REPAIR THEIR HOGAN'S ALLEY AT
21 QUANTICO. YOU START SHOOTING UP WOOD LIKE THAT,
22 AND YOU'RE JUST CONSTANTLY SPENDING MONEY ON
23 REPAIRS.

24 MEMBER RELIS: WE HAVE ALL SORTS OF NAMES
25 THAT FLOAT AROUND THE BOARD, BUT I'VE NEVER HEARD

1 WHAT A HOGAN'S ALLEY IS.

2 SERGEANT HANSON: A HOGAN'S ALLEY IS
3 FACADES WITH WINDOWS AND DOORS THAT SIMULATE -- A
4 BAD GUY MIGHT COME OUT OF A WINDOW OR IN PLACE OF
5 THE BAD GUY, JUST THE HONEST CITIZEN MIGHT LOOK
6 OUT THEIR WINDOW IN A LIVE FIRE SITUATION, AND THE
7 OFFICER HAS TO EITHER SHOOT OR DON'T SHOOT, HAS TO
8 RECOGNIZE THE DANGER OR THE LACK OF THE DANGER,
9 AND TAKE THAT IMMEDIATE ACTION, MAKE THAT
10 DECISION.

11 WE LOOKED AT LIVE FIREHOUSES, AND A
12 LIVE FIREHOUSE IS AN AREA WHERE YOU CAN GO IN.
13 SWAT TEAMS USE THESE MOSTLY, AND YOU CAN GO INTO A
14 HOUSE AND YOU CAN CLEAR THE HOUSE USING LIVE FIRE
15 IN A 360-DEGREE CIRCLE, SO YOU CAN SHOOT IN ANY
16 DIRECTION. AGAIN, THE EMPHASIS THERE IS TO MAKE
17 SURE THAT THERE'S SAFETY NOT INSIDE THE ROOM SO
18 MUCH AS OUTSIDE THE ROOM. YOU DON'T WANT BULLETS
19 PASSING THROUGH THE WALLS.

20 TRADITIONALLY LOS ANGELES POLICE
21 DEPARTMENT AND LOS ANGELES COUNTY SHERIFF HAVE
22 USED WHAT THEY CALL A RUBBER TIRE HOUSE WHERE THEY
23 SINK A POST IN THE HOLE -- THE GROUND, CEMENT IT
24 IN, AND THEN PUT A RUBBER TIRE AROUND THE POST AND
25 START TO FILL IT WITH SAND. THOSE ARE LARGE

1 AGENCIES AND THEY SHOOT EVERY DAY. THEY SHOOT
2 THEIR TIRES UP AND THEY SHOOT THEIR -- THEIR SAND
3 STARTS TO LEAK OUT, AND SO THEY'RE ABOUT EVERY TEN
4 YEARS HAVING TO TAKE IT APART AND REBUILD IT.

5 AND THERE'S ALSO THE TYPE OF
6 FACILITY CALLED A LOG HOUSE, WHICH IS USUALLY
7 BUILT OUT OF RECYCLED -- I LOVE THAT WORD --
8 RECYCLED RAILROAD TIES. THE PROBLEM THERE AGAIN
9 YOU HAVE IS THAT YOU HAVE TO HAVE SOME TYPE OF A
10 STRUCTURE IN FRONT OF THE RAILROAD TIES FILLED
11 WITH SAND OR A, LIKE, PEA GRAVEL IN ORDER TO
12 REDUCE THE AMOUNT OF WEAR AND TEAR ON THE RAILROAD
13 TIE. AGAIN, YOU'RE LOOKING AT ABOUT EVERY 18
14 MONTHS HAVING TO DO SOME TYPE OF A REPAIR.

15 CITY GOVERNMENT WILL NOT GIVE YOU
16 MONEY TODAY TO DO THAT TYPE OF A REPAIR. SO WHEN
17 RUBBERTECH SENT US A LETTER ADVISING US THAT THEY
18 HAD A PRODUCT THAT THEY WERE USING AS RANGE
19 DEVELOPMENT, I IMMEDIATELY WENT DOWN AND REVIEWED
20 IT. IT IS A BALE OF -- OF TIRES THAT IS
21 APPROXIMATELY 3 FOOT BY 5 FOOT BY 7. THEY GAVE ME
22 NAMES OF INDIVIDUALS TO CONTACT, ONE OF THOSE
23 BEING AN OFFICER PFISTER FROM MERCED, WHO I TALKED
24 WITH EXTENSIVELY ON THE TELEPHONE. AND HE
25 INFORMED ME THAT THEY DID TESTS WITH A 308 RIFLE,

1 WHICH IS SOMETHING THAT A SNIPER WOULD USE; THEY
2 DID TESTS WITH A 223, WHICH IS SOMETHING USED IN A
3 SWAT TEAM; AND THEY USE A NINE MILLIMETER. AND
4 SO -- OUR AGENCY USES 40 CALIBERS, JUST A LITTLE
5 BIT -- A LITTLE BIT LARGER WEAPON.

6 BUT THEIR TESTS RANGED IN THE AREA
7 THAT THE NINE MILLIMETER WENT IN APPROXIMATELY ONE
8 AND A HALF INCHES INTO THIS TIRE BALE WHICH LEFT,
9 IN MY CALCULATIONS, SOMEWHERE AROUND 6 FEET 9 -- 6
10 FEET 10 AND A HALF INCHES OF SAFETY BARRIER.

11 THE 223 WENT IN -- IT'S A SMALL
12 BULLET THAT'S A FASTER BULLET, AND IT PROBABLY
13 WENT IN ABOUT A FOOT TO 18 INCHES.

14 THE 308, WHICH IS A MUCH MORE
15 POWERFUL BULLET, STILL FROM 25 YARDS ONLY WENT IN
16 18 INCHES.

17 WHAT I CAN TELL YOU ABOUT THESE
18 BULLETS IS THAT EACH AND EVERY ONE OF THEM WILL
19 DISINTEGRATE A BRICK OR CONCRETE WALL. GIVEN
20 ENOUGH SHOTS IN THAT AREA, IT WILL ACTUALLY TEAR A
21 HOLE INTO THAT WALL, AND THEN PRETTY SOON YOU'RE
22 SHOOTING THROUGH THE WALL. IT JUST ABSOLUTELY
23 DESTROYS WOOD.

24 SO WHAT YOU'RE LOOKING AT IS YOU'RE
25 LOOKING AT CONSTANT REPAIR, AND I COULDN'T AFFORD

1 THAT. SO WHEN RUBBERTECH OFFERED THIS, WE LOOKED
2 AT IT AND WE WENT WITH IT, ESPECIALLY WHEN WE
3 TALKED ABOUT THE FACT THAT THE BALE CAN BE OFFSET,
4 WHICH GIVES US A DOUBLE THICKNESS, WHICH GIVES US
5 EVEN MORE PROTECTION. SAFETY IS OF THE UTMOST.
6 SO THE VALUE OF THESE BALES, AS I USE THEM IN MY
7 TRAINING, ALTHOUGH THERE'S A FINANCIAL VALUE TO
8 THEM, THE VALUE BECOMES IMMEASURABLE IN THE FACT
9 THAT THEY'RE GOING TO SAVE LIVES.

10 MY PROJECT WAS A FIVE-YEAR PROJECT
11 STARTING LAST YEAR. ACTUALLY THE PROJECT GOES
12 BACK TO 1990, BUT THE PROJECT STARTING LAST YEAR
13 BECAME A FIVE-YEAR PROJECT WITH CERTAIN THINGS TO
14 BE COMPLETED WITHIN A SPECIFIC PERIOD OF TIME.

15 AS I EXPLAINED TO THE GROUP THAT
16 VISITED YESTERDAY, I HAVE X AMOUNT OF DOLLARS, AND
17 THE CITY SAID DO IT FOR THOSE X AMOUNT OF DOLLARS.
18 THOSE WERE UNBUDGETED. ACTUALLY WHAT I DID WAS
19 SELL THE AGGREGATE TO GET THIS MONEY, SO NO MONEY
20 WAS GIVEN TO ME. AND THESE BALES THROUGH
21 RUBBERTECH HAVE BEEN IMMEASURABLY IMPORTANT TO ME
22 FINANCIALLY BECAUSE I'M BEING ABLE TO PUT
23 SOMETHING UP THAT'S RELATIVELY INEXPENSIVE AT THIS
24 POINT, WHICH ANY OTHER METHOD WOULD HAVE COST ME
25 CONSIDERABLY MORE.

1 AGAIN, IT WAS A FIVE-YEAR PROJECT
2 THAT HAS BEEN MOVED AHEAD THREE YEARS BECAUSE OF
3 THE USE OF THE TIRE BALES. WITHOUT THE TIRE
4 BALES, I HAVE BEEN DOWN NOW FOR TWO WEEKS. I'VE
5 HAD LITTLE THINGS THAT I COULD DO, BUT IT -- WE'VE
6 STOPPED THE USE OF THE BALES BECAUSE WE WANTED TO
7 COME HERE AND TALK TO YOU. WE WANTED YOU TO LOOK
8 AT MY PROJECT. WE WANTED YOU TO SEE WHAT WE WERE
9 DOING.

10 I NEED THE BALES. I NEED THE BALES
11 TO COMPLETE MY PROJECT. I HOPE THAT THIS
12 COMMITTEE WILL SEE THE IMPORTANCE OF THESE TO LAW
13 ENFORCEMENT.

14 I CAN TELL YOU RIGHT NOW YOU'RE ALL
15 WELCOME TO COME DOWN, AND I WILL PROVIDE YOU THE
16 WEAPON AND THE AMMUNITION. FEEL FREE TO SHOOT
17 INTO THESE BALES, NOT BECAUSE I THINK YOU'LL GET A
18 KICK OUT OF IT, BUT I THINK YOU HAVE TO
19 UNDERSTAND.

20 IF WE CAN TRAIN OUR OFFICERS IN
21 REALITY, IN HOW THEY'RE GOING TO ACTUALLY RESPOND
22 OUT ON THE STREET AND WORK ON THE STREET, AND WE
23 CAN DO THAT WITH ABSOLUTE SAFETY, THEN YOU AS
24 CITIZENS WITHIN THIS COMMUNITY ARE GOING TO HAVE
25 BETTER TRAINED OFFICERS WHO ARE GOING TO KNOW WHEN

1 TO SHOOT AND WHEN NOT TO SHOOT. WE WILL REDUCE
2 THE NUMBER OF INCIDENCES WHERE INNOCENT CITIZENS
3 ARE SHOT BECAUSE OFFICERS WILL BE TRAINING IN
4 REALITY. WE WILL REDUCE THE NUMBER OF INCIDENCES
5 WHERE ANYBODY MAY BE SHOT BECAUSE THE OFFICER MAY
6 NOT HAVE TO BECAUSE HE'S TRAINING MORE FREQUENTLY
7 IS A SAFER ENVIRONMENT, AND HE WILL BE ABLE TO
8 COME UP WITH DIFFERENT CIRCUMSTANCES IN
9 SITUATIONS.

10 THE REALITY OF LIFE IS THAT WE HOPE
11 WE NEVER HAVE TO KILL ANYONE; BUT IF WE DO, LET
12 US -- LET US STOP THAT PERSON WHO IS A THREAT TO
13 THE INNOCENT, TO THE -- TO THE CONTRIBUTING
14 CITIZEN OF OUR COMMUNITIES.

15 IF THERE ARE ANY QUESTIONS, I WOULD
16 ANSWER THEM. OTHERWISE, I WOULD LIKE TO THANK YOU
17 AGAIN FOR AFFORDING ME THIS OPPORTUNITY.

18 MEMBER PENNINGTON: JUST A COUPLE
19 QUESTIONS.

20 YOU -- YOU DESIGNED THIS FACILITY
21 YOURSELF?

22 SERGEANT HANSON: YEAH. I DID A ROUGH
23 DRAFT AND THEN MY ENGINEERS MADE ME GO INTO AN
24 ENGINEERING FIRM TO GET SOMETHING REALLY NICE. I
25 HAVE A -- I HAVE AN ENGINEERED MAP, BUT I'VE HAD

1 TO ENLARGE IT CONSIDERABLY --

2 MEMBER PENNINGTON: RIGHT.

3 SERGEANT HANSON: -- BECAUSE THE
4 OPPORTUNITY WAS THERE TO DO SO, AND I WANTED TO
5 TAKE ADVANTAGE OF THAT OPPORTUNITY.

6 MEMBER PENNINGTON: ALL RIGHT.

7 SERGEANT HANSON: THAT -- AGAIN, THAT
8 OPPORTUNITY WAS PROVIDED BECAUSE OF THE BALES.

9 MEMBER PENNINGTON: WOULD YOU BUY THE
10 BALES?

11 SERGEANT HANSON: WOULD I BUY THEM?

12 MEMBER PENNINGTON: YEAH.

13 SERGEANT HANSON: IF I HAD THE MONEY TO
14 BUY THEM, I WOULD. BUT AS I EXPLAINED, I HAVE
15 ELECTRICITY THAT I HAVE TO RUN. I AM BUYING THEM.
16 TO SOME EXTENT, I AM PAYING SOMETHING. I'M NOT
17 PAYING WHAT I THINK THEY'RE WORTH. I WILL TELL
18 YOU THAT. BUT SHOULD THEY BE PURCHASED FOR LAW
19 ENFORCEMENTS? YOU BET. THEY'RE -- THEY'RE A
20 VALUABLE PRODUCT.

21 MEMBER PENNINGTON: OKAY.

22 CHAIRMAN JONES: WOULD ANY OF THE BOARD
23 MEMBERS WANT TO SEE PICTURES? FITZ HAS TAKEN SOME
24 SLIDES. WOULD YOU LIKE TO SEE -- I THINK IT'S
25 APPROPRIATE WHILE THE SERGEANT'S HERE BECAUSE HE'S

1 GOT PICTURES OF THE --

2 MR. FITZGERALD: BUT YOU RUN THE CONTROL.

3 CHAIRMAN JONES: DO IT AT THE DRIVING
4 RANGE -- SHOOTING RANGE. I'M THINKING ABOUT GOLF.

5 MR. FITZGERALD: OKAY. I'M GOING TO HAVE
6 TO WALK THROUGH THE FIRST PART OF THEM HERE. I
7 DON'T THINK I'LL BE ABLE TO DO IT.

8 CHAIRMAN JONES: THERE REALLY WERE
9 PICTURES. I SAW THEM THIS MORNING.

10 MR. FITZGERALD: IT'S NOT GOING TO WORK.

11 CHAIRMAN JONES: ALL RIGHT.

12 MR. FITZGERALD: SORRY ABOUT THAT.

13 MR. PINSKY: MEMBERS OF THE COMMITTEE, IF
14 I COULD HAVE JUST ONE MORE MINUTE TO SORT OF TIE A
15 BOW AROUND IT AND SUMMARIZE IT. WOULD THAT BE
16 APPROPRIATE?

17 MEMBER PENNINGTON: YES.

18 CHAIRMAN JONES: YES.

19 MR. PINSKY: THANK YOU.

20 I THINK IT'S ALL BEEN SAID. I THINK
21 IT'S CLEAR FROM THE PRESENTATION THAT YOU'VE GIVEN
22 US AN OPPORTUNITY TO MAKE HERE THAT WE'RE NOT
23 TALKING SMOKE AND MIRRORS; WE'RE NOT TALKING
24 MIDNIGHT DUMPING.

25 WE'RE CLEARLY TALKING ABOUT AN

1 ENGINEERED COMMODITY, A WASTE THAT HAS HAD VALUE
2 ADDED TO IT THROUGH A TECHNOLOGICAL PROCESS THAT
3 IS PATENTED, THAT ONLY A FEW PLAYERS IN THE MARKET
4 ARE ABLE TO DO, TO BRING THE WASTE INTO THE FORM
5 THAT'S USABLE BY MEMBERS OF THE COMMUNITY SUCH AS
6 THE SERGEANT WHO HAS PRESENTED SO ARTICULATELY
7 HERE TODAY.

8 I THINK ONE THING THAT'S VERY
9 IMPORTANT TO HEAR FROM HIS PRESENTATION IS THAT
10 THERE'S NOTHING ELSE HE COULD USE THAT WOULD BE AS
11 GOOD FOR THE PURPOSE AS THE BALES THAT HE HAS BEEN
12 ABLE TO OBTAIN FROM RUBBERTECH.

13 HERE'S A MAN WHO HAS BEEN IN THIS
14 FIELD, HAS SEEN OTHER APPLICATIONS, TRYING TO
15 ACCOMPLISH THE SAME THING WITH SAFETY IN THE
16 FIRING RANGE. NOTHING WORKS LIKE A BALE OF TIRES
17 TO ACCOMPLISH WHAT IT IS TO SEE WHAT HE CAN DO.
18 AND CLEARLY THIS IS NOT THE ONLY POLICE DEPARTMENT
19 IN THE COUNTRY OR THE WORLD THAT WOULD BE
20 INTERESTED IN USING THIS PRODUCT. AND, THEREFORE,
21 I THINK ONCE -- ONCE IT'S DEMONSTRATED THAT THIS
22 PARTICULAR ITEM CAN DO WHAT NOTHING ELSE CAN DO,
23 IT OPENS UP A WORLD OF POSSIBILITIES SIMPLY IN
24 THAT USE ALONE. AND, OF COURSE, THERE -- THERE
25 ARE MANY OTHER USES.

1 I'D LIKE TO SIMPLY CLOSE BY BRINGING
2 US BACK TO THE MAIN QUESTION HERE TODAY. THERE'S
3 AN IMMEDIATE NEED THAT IS BEING FACED BY RUBBER-
4 TECH IN TERMS OF WHAT IT IS GOING TO BE ABLE TO DO
5 WITH THE BALES THAT IT HAS ALREADY PRODUCED, THAT
6 ARE ON ITS SITE, THAT IT HAS A WILLING AND READY
7 MARKET FOR. AND HOW DOES SERGEANT HANSON GET THE
8 MATERIALS THAT HE NEEDS TO COMPLETE HIS PROJECT,
9 WHICH IS BEING HELD UP AT THIS TIME BECAUSE
10 RUBBERTECH'S HANDS ARE BEING EFFECTIVELY TIED DUE
11 TO THE FACT THAT IT'S RELUCTANT TO GO FORWARD
12 UNTIL THIS COMMITTEE APPROVES AND BLESSES THE
13 ACTIONS IT WISHES TO TAKE.

14 AND SECONDLY WE HAVE A LONG-TERM
15 ISSUE OF HOW DO WE HANDLE BALED TIRES IN THE
16 MARKETPLACE AS A COMMODITY FOR A VARIETY OF USES
17 THAT WE TRIED TO PRESENT HERE AS VIABLE, AS USES
18 THAT THERE'S A MARKET FOR AND USES THAT WILL
19 BENEFIT NOT ONLY RUBBERTECH AS A SELLER OF THESE
20 PRODUCTS, BUT THE ENVIRONMENT OF THE STATE OF
21 CALIFORNIA.

22 THANK YOU VERY MUCH FOR YOUR TIME.

23 CHAIRMAN JONES: THANK YOU.

24 I WANT TO SEE IF ANYBODY HAS ANY
25 QUESTIONS FOR YOU. I HAVE ONE THAT I'D LIKE TO

1 ASK BECAUSE YOU -- YOU -- AND I DON'T THINK
2 IT'S -- IT'S A BIG DEAL, BUT YOU REFERRED TO THE
3 RANCHO MIRAGE DECISION AS BEING PERTINENT TO -- TO
4 THIS CASE. AND I DON'T GET THE RELEVANCE BECAUSE
5 THAT WAS AN ISSUE OF WHO HAD OWNERSHIP OF
6 RECYCLABLES IN A FRANCHISED AREA AND WHAT THE
7 CRITERIA WAS THAT BECAME -- THAT THEY BECAME A
8 DISCARD VERSUS SOMETHING THAT A HOMEOWNER OR
9 BUSINESS HAD AN OPPORTUNITY TO EITHER GIVE AWAY OR
10 GET MONEY FOR AS OPPOSED TO A FRANCHISE HAULER
11 HAVING A RIGHT. AND I'M JUST KIND OF CURIOUS AS
12 TO HOW THAT HAS ANYTHING TO DO WITH WASTE.

13 MR. PINSKY: WELL, IF YOU'RE REFERRING TO
14 THE PALM SPRINGS RECYCLING DECISION THAT I
15 REFERENCED EARLIER, THAT ONE?

16 CHAIRMAN JONES: YES.

17 MR. PINSKY: OKAY. I'M NOT NECESSARILY
18 TRYING TO ARGUE THAT THAT CONTROLS THIS BOARD'S
19 ACTIONS. IN FACT, KIND OF THE OPPOSITE
20 PROPOSITION. WE WANTED TO BRING IT TO THE BOARD'S
21 ATTENTION IN GOOD LAWYERLY FASHION TO PRESENT TO
22 THE BOARD WHAT WE FELT MIGHT BE APPLICABLE
23 AUTHORITY IN THE AREA OF WASTE REGULATION. THIS
24 IS ONE OF THE FEW CASES THAT'S OBVIOUSLY MADE IT
25 ALL THE WAY TO THE SUPREME COURT ON THE QUESTION.

1 WE BELIEVE THAT AS THE COURT DEALT
2 WITH THE DEFINITION OF WASTE IN THAT DECISION,
3 THERE'S NOTHING IN THAT DECISION THAT WOULD BAR
4 THIS COMMITTEE AND THIS BOARD FROM TAKING THE
5 ACTION THAT WE'RE SEEKING THAT -- THAT IT
6 UNDERTAKE HERE WITH THE REGULATIONS. SO THAT
7 DECISION ISN'T THE DECISION THAT WE PRESENT TO YOU
8 TO SUPPORT OUR ARGUMENT THAT YOU HAVE TO DO THIS
9 OR YOU CAN'T DO THAT. WE'RE SIMPLY SAYING THAT,
10 ACCORDING TO WHAT WE VIEW AS THE STATE OF THE LAW
11 FROM THE HIGHEST COURT IN THE LAND, THERE'S
12 NOTHING IN THAT DECISION THAT WOULD BAR THIS
13 COMMITTEE FROM TAKING THE ACTION THAT WE'RE
14 RECOMMENDING.

15 MS. SMALL: EXCUSE ME. I'D JUST LIKE TO
16 CLARIFY THAT'S NOT A UNITED STATES SUPREME COURT
17 DECISION. THAT'S A CALIFORNIA SUPREME COURT
18 DECISION.

19 MR. PINSKY: MY APOLOGIES. THAT DOESN'T
20 LOOK VERY GOOD FOR ME, DOES IT? I APOLOGIZE. YOU
21 ARE CORRECT. I WAS UNDER THE IMPRESSION IT WAS
22 THE U.S. SUPREME COURT. IT'S THE STATE. SORRY
23 ABOUT THAT.

24 CHAIRMAN JONES: DO ANY OF THE BOARD
25 MEMBERS HAVE A --

1 MEMBER RELIS: THE REASON WE'RE HERE IS
2 STRICTLY -- AS I UNDERSTAND IT, IT'S NOT -- WE'RE
3 NOT QUESTIONING THE INTERIOR STORAGE. THAT'S BEEN
4 PROVIDED FOR IN THE EXCLUSION IN AN EARLIER
5 EXCLUSION.

6 SO WHAT BROUGHT THIS ALL ABOUT IS
7 STAFF OBSERVED WHAT THEY -- IN EXCESS OF 5,000
8 TIRES STORED OUTSIDE ON THE GROUND, CORRECT? IS
9 THAT --

10 CHAIRMAN JONES: WELL, WE HAD TWO THINGS,
11 MR. RELIS. WE HAD -- WE HAD A REQUEST FROM
12 WENBURY SOME MONTHS AGO WHEN AB 350, THE FIRESTONE
13 BILL, WAS GOING THROUGH. THERE WAS A DEFINITION
14 IN THAT BILL, AND I THINK THAT'S WHAT DROVE IT,
15 WAS THEY GOT BALED TIRES INCLUDED AS A -- A
16 COMMODITY OR THERE WAS SOME WORDING THEY NEEDED
17 THAT WAS GOING TO BENEFIT THOSE PEOP -- YOU KNOW,
18 BENEFIT ANYBODY THAT HAD THAT KIND OF PROJECT TO
19 THE TUNE OF 32 CENTS A TIRE. I THINK THAT'S WHAT
20 DROVE IT. I THINK SINCE THEN, WE HAVE A NOTICE
21 AND ORDER ON THE FACILITY.

22 I THINK IT WOULD BE APPROPRIATE TO
23 GET A CLARIFICATION TO YOUR QUESTION AS TO THROW
24 IT TO MR. CHANDLER RIGHT NOW TO TALK ABOUT WHAT
25 THOSE -- WHY WE'RE HERE AND WHAT THE ISSUES ARE,

1 IF YOU THINK IT'S APPROPRIATE, MR. --

2 MR. CHANDLER: ACTUALLY, I THINK MR.
3 RELIS WAS ACTUALLY HEADED IN THAT DIRECTION.

4 MEMBER RELIS: WELL, I'M JUST TRYING
5 TO -- TO NARROW -- WE HAVE ISSUES OF MARKET; WE
6 HAVE ISSUES --

7 CHAIRMAN JONES: RIGHT.

8 MEMBER RELIS: BUT AT THE CORE OF THE
9 MATTER BEFORE US IS THE STORAGE ISSUE.

10 MR. CHANDLER: YEAH. I -- I THINK WE DO
11 NEED TO GET NOW TO THE REAL ISSUES BECAUSE YOU'VE
12 HEARD A LOT ABOUT GOOD NEIGHBOR/COMMUNITY
13 DEVELOPMENT SPEECHES AND ALL THE GREAT THINGS
14 WE'RE DOING FOR THE MERCED ECONOMY.

15 I THINK WHAT WE ALL HAVE BEFORE US
16 IS, YOU KNOW, A SHORT-TERM PROBLEM, WHICH IS AN
17 N&O ISSUED BY STAFF FOR GOOD REASON. THEY'RE OUT
18 OF COMPLIANCE WITH THE REGULATIONS, AND WE HAVE A
19 LONGER TERM PROBLEM, WHICH I THINK WE ALL
20 RECOGNIZE, WHICH IS WE PROBABLY NEED TO REOPEN
21 THESE TIRE REGULATIONS AND LOOK AT APPLICATIONS
22 SUCH AS -- SUCH AS THIS.

23 I HOPE THERE'S NO MISUNDERSTANDING
24 TODAY THAT THIS FORUM CAN SERVE TO SIMPLY CHANGE
25 REGULATION. AND I'M A LITTLE CONCERNED THAT MAYBE

1 THE COUNSEL FOR WENBURY IS UNDER THE IMPRESSION
2 THAT THROUGH THE PRESENTATION MADE TODAY WE CAN
3 SOMEHOW JUST MODIFY OUR REGULATIONS, AND YOU KNOW
4 THAT'S A FULL NOTICING PROCESS WE GO THROUGH.

5 I FEEL MUCH OF THE DISCUSSION WE'VE
6 HEARD TODAY WOULD BE VERY APPROPRIATE DISCUSSION
7 FOR JUST THAT SETTING, AND WE'RE LOOKING AT
8 WHAT -- SHOULD THESE REGULATIONS PERHAPS BE
9 MODIFIED TO HAVE THE APPROPRIATE CONDITIONS OR
10 REGULATORY STRUCTURE AROUND WASTE TIRES THAT ARE
11 USED IN BALED FORM AS A COMMODITY.

12 SO I GUESS I WOULD LIKE TO OFFER A
13 COUPLE OF THINGS JUST TO GET THE DISCUSSION GOING.
14 I THINK THERE'S NO DISAGREEMENT AMONGST STAFF AND
15 I THINK THE BOARD THAT IN THE LONG TERM, WE NEED
16 TO OPEN UP THESE REGULATIONS, AND I THINK WE'VE
17 MADE A COMMITMENT TO DO THAT, AND THAT'S TO LOOK
18 AT A NUMBER OF AREAS THAT WE'VE BEEN GRAPPLING
19 WITH SINCE 1993. AND MIKE KEFFER IN HIS OPENING
20 REMARKS BROUGHT THIS TO OUR ATTENTION.

21 IT WAS BACK IN 1993 WHEN WE PUT
22 THESE REGULATIONS FORWARD, AND IT'S TIME TO REOPEN
23 THEM AS AN APPROPRIATE ISSUE, BUT WE'VE GOT A
24 SHORT-TERM PROBLEM. AND THAT'S WHERE YOU WERE
25 GOING, MR. RELIS. THE SHORT-TERM PROBLEM IS THEY

1 HAVE AN EXEMPTION FOR THEIR CLOSED STORAGE, AND
2 WE'VE GOT THESE BALES SITTING OUTSIDE, AND WHAT
3 ARE WE GOING TO DO ABOUT THEM.

4 I WOULD LIKE TO OFFER JUST ONE
5 OPENING SUGGESTION, AND THEN WE CAN SEE IF WE CAN
6 GET SOME REACTION TO IT.

7 I KNOW THAT THE WENBURY
8 REPRESENTATIVES DO NOT WANT TO ADMIT THAT THE
9 BALES IN AND OF THEMSELVES FORM -- ARE, IF YOU
10 WILL, SUBJECT TO PERMITTING REQUIREMENTS BECAUSE
11 THEY DON'T BELIEVE THEY'RE A WASTE PRODUCT AND,
12 THEREFORE, THEY DON'T WANT TO GET A PERMIT, BUT
13 I'D LIKE TO SEE THEM AT LEAST BE OPEN TO COMING IN
14 AND GETTING A PERMIT FOR OUTDOOR STORAGE.

15 AT THE SAME TIME, I THINK WE NEED TO
16 LOOK AT GETTING SOME GOOD TRACK RECORD OF WHAT
17 THESE TYPES OF BALLISTIC RANGES ACTUALLY SERVE
18 RELATIVE TO HOW THESE BALES STAND UP AND PERFORM.

19 SO THAT WHEN WE DO OPEN UP THE
20 REGULATIONS IN A COUPLE OF MONTHS OR WHENEVER THIS
21 BOARD DIRECTS, WE HAVE GOOD -- GOOD DATA, GOOD
22 INFORMATION ON WHAT -- HOW WE WANT TO TREAT THESE
23 BALES, WHETHER THEY'RE A COMMODITY AND HOW THEY'RE
24 SERVED AND WHAT TYPE OF REGULATORY CONDITIONS
25 SHOULD SURROUND THEM.

1 SO I'D LIKE TO SEE US, SIMILAR TO
2 WHAT WE DID WHEN WE DID TIERED PERMITTING WHERE WE
3 PUT OUT AN ADVISORY TO THE LEA'S -- IN THIS CASE,
4 WE ARE THE PERMITTING AGENCY -- WHERE WE SAID
5 WE'RE GOING TO PUT A MORATORIUM ON YOU COMING IN
6 WITH FULL SOLID WASTE FACILITY PERMITS FOR A
7 VARIETY OF NON-TRADITIONAL TYPE FACILITIES, WHILE
8 WE BEGIN TO PUT IN PLACE THE APPROPRIATE
9 REGULATORY STRUCTURE AROUND HOW WE WANT TO DEAL
10 WITH A VARIETY OF NON-TRADITIONAL FACILITIES.

11 MAYBE WHAT WE CAN DO IS GET THAT
12 KIND OF DIRECTION OUT TO THE LOCAL GOVERNMENTS.
13 WE'RE GOING TO BEGIN SOME TYPE OF A -- A
14 PERMITTING STRUCTURE FOR THESE TYPES OF
15 OPERATIONS. IT MIGHT BE NOTIFICATION; IT MIGHT BE
16 REGISTRATION; IT MIGHT JUST BE KNOWING WHERE THESE
17 BALED BALLISTIC RANGES ARE AND HOW THEY'RE
18 PERFORMING. THAT WILL BE A DECISION THAT THIS
19 BOARD WILL HAVE TO MAKE DOWN THE ROAD.

20 LET'S GET THESE DEMONSTRATION
21 PROJECTS GOING, GET THESE BALES MOVED, AND IN THE
22 MEANTIME IF THEY WANT TO CONTINUE TO STORE BALES
23 OUTSIDE THEIR WAREHOUSE, I SUGGEST THEY COME IN
24 AND GET A PERMIT FOR THAT. AND THAT WE WILL HELP
25 THEM WITH THAT PERMIT, RECOGNIZING THAT THEY'RE

1 GOING TO MAKE THEIR ARGUMENT THAT THOSE TYPES OF
2 BALED COMMODITIES SHOULD NOT BE -- PERHAPS FALL
3 UNDER A WASTE STORAGE PERMIT IN THE LONG RUN.

4 BUT RIGHT NOW THAT'S THE REGULATORY
5 STRUCTURE WE HAVE IN PLACE. WE CAN'T REALLY AVOID
6 THAT. AND UNTIL WE GO DOWN THAT PATH, I DON'T SEE
7 A LOT OF ROOM HERE, BUT I CERTAINLY AM SYMPATHETIC
8 TO TRY AND GET THESE EXISTING BALES INTO THESE
9 BALLISTIC RANGES. AND IF YOU'VE GOT THIS MUCH
10 SUPPORT FROM MUNICIPALITIES WHO WANT TO TAKE ON
11 THAT LIABILITY AND RESPONSIBILITY AND THEY SEEM TO
12 WORK THAT WELL, I SUGGEST WE WORK WITH LOCAL
13 GOVERNMENTS AND WENBURY TO SEE IF WE CAN MOVE THEM
14 AND GET THEM -- GET THEM DEPLOYED, GET SOME DATA
15 AND EXPERIENCE IN HOW WELL THEY'RE WORKING.

16 BUT THAT'S A COMPLETELY DIFFERENT
17 MATTER THAN THOSE JUST SITTING STATIC RIGHT NEXT
18 TO THAT WAREHOUSE WHERE THEY DON'T SEEM TO BE OF
19 ANY USE BUT BEING STORED BECAUSE THEY DON'T HAVE
20 EITHER THE SPACE INSIDE OR THEY DON'T WANT TO GET
21 ANOTHER INDOOR STORAGE FACILITY OR WHATEVER THE
22 CIRCUMSTANCES ARE.

23 SO THAT'S KIND OF MY THINKING AT
24 THIS POINT. LET'S GET THESE DEMONSTRATION
25 PROJECTS GOING. LET'S GET THE APPLICANT IN WITH

1 THE APPROPRIATE PERMIT IN HAND, AND THAT'S THE
2 SHORT-TERM PROBLEM WE HAVE.

3 I KNOW THAT THAT'S WHAT YOU WERE
4 TRYING TO ADDRESS, MR. RELIS. THIS IS ALL BEING
5 PRECIPITATED BY THE N&O; AND IF WE DON'T ADDRESS
6 THAT TODAY, THEY'RE JUST GOING TO BE IN MY OFFICE
7 AT 12:30 ASKING, "WHERE DO WE GO FROM HERE?" AND
8 THEN INTO YOUR OFFICE AND EVERYONE ELSE'S. SO I
9 THINK WE NEED TO TRY TO GRAPPLE WITH THIS.

10 MEMBER RELIS: WELL, IT SEEMS TO ME WHAT
11 YOU'VE JUST LAID OUT SEEMS SENSIBLE. WE HAVE A
12 LEGAL REQUIREMENT WHICH HAS BEEN INTERPRETED. I
13 KNOW THERE'S A QUESTION OF THAT, BUT I -- I READ
14 THAT AS A FAIRLY STRONG POSITION.

15 I AM VERY SYMPATHETIC TO THE -- THIS
16 WHOLE NOTION OF WE WANT TO MOVE -- IN FACT, IT WAS
17 A PRIORITY IN OUR DISCUSSION OF ENGINEERING
18 APPLICATIONS OF TIRES TO THE TYPES OF CIVIL
19 ENGINEERING OR OTHER MODES THAT WE GO INTO. SO AS
20 I SEE IT -- WELL, AND THEN WITH THE FURTHER
21 BACKDROP, I WON'T SAY WE'RE NECESSARILY PARANOID,
22 BUT WE'RE WARY OF BIG PILES JUST ANYWHERE, JUST
23 BECAUSE -- NOT BECAUSE OF YOU, BUT BECAUSE OF THE
24 HISTORY OF THIS PROBLEM.

25 THERE ONCE WAS A TIME WHEN THERE WAS

1 AN ENERGY FACILITY BUILT FOR THE SOLE PURPOSE OF
2 REDUCING A PILE THAT NEVER WENT AWAY AFTER MANY,
3 MANY YEARS. SO WE'RE COMING FROM HISTORY HERE IN
4 PART. SO I -- I'M WONDERING WHY WOULDN'T IT BE
5 SENSIBLE TO PROCEED DOWN THIS COURSE, OPEN UP THE
6 REGULATIONS SHORTLY, GET INTO A -- A PERMITTING
7 SYSTEM LIKE OUR TIERED SYSTEM THAT RECOGNIZES THE
8 CHANGING MARKETPLACE.

9 WE'VE OFTEN SPOKEN IN TERMS OF OUR
10 DUAL ROLE. WE'RE ENCOURAGING A MARKETPLACE. AT
11 THE SAME TIME, WE'RE TRYING TO ENFORCE SENSIBLE
12 REGULATION, ENVIRONMENTALLY PROTECTIVE
13 LEGISLATION.

14 SO YOU'RE IN A WAY IN A TRANSITION
15 POSITION. AND THEN THE QUESTION IS WHY IS IT SO
16 DIFFICULT TO SEEK AN INTERIM STORAGE FOR YOUR
17 OUTDOOR MATERIAL. YOU SEEM TO BE STACKING IT
18 PROPERLY. IT LOOKS LIKE THE FIRE PROTECTION IS
19 THERE. SO WHAT -- WHAT IS THE KEY PROBLEM WITH
20 THIS?

21 MR. PINSKY: IF I MAY, MR. RELIS, THERE
22 IS NO PROBLEM FROM THE COMPANY'S PERSPECTIVE, AND
23 WE ARE IN THE PROCESS OF COMPLETING OUR
24 APPLICATION FOR THE PERMIT THAT MR. CHANDLER
25 MENTIONED.

1 AS THE COMMITTEE, I BELIEVE, KNOWS,
2 THE COMPANY OPERATED UNDER AN EXEMPTION FROM THE
3 PERMIT REQUIREMENT, IS NO LONGER IN THAT STATUS,
4 AND, THEREFORE, WE'RE IN THE PROCESS OF DOING
5 PRECISELY WHAT MR. CHANDLER HAS INDICATED HE FEELS
6 IS REQUIRED IN THE SITUATION.

7 CHAIRMAN JONES: THAT'S A STEP IN THE
8 RIGHT DIRECTION BECAUSE IT'S HARD TO -- YOU KNOW,
9 WHEN YOU GET AN EXEMPTION IN FEBRUARY AND YOU'RE
10 OUT OF COMPLIANCE IN APRIL, THAT MAKES YOU NERVOUS
11 FIGURING YOU NEED A PERMIT SOMEWHERE ALONG THE
12 ROAD.

13 MR. PENNINGTON, DO YOU HAVE
14 ANYTHING?

15 MR. PINSKY: IF I MAY, MR. PENNINGTON,
16 PARDON ME. JUST ONE MORE POINT THAT I HAVE BEEN
17 INFORMED, AND IT MAKES SENSE TO POINT OUT AT THIS
18 POINT.

19 THE STORAGE PROBLEM IS A STORAGE
20 PROBLEM PRIMARILY BECAUSE THE BALES IN QUESTION
21 HAVEN'T BEEN ALLOWED TO MOVE. THE COMPANY'S BEEN
22 VERY CONCERNED ABOUT NOT VIOLATING ANY ORDERS OF
23 THIS BOARD.

24 I DON'T KNOW WHAT PERCENTAGE, BUT A
25 TREMENDOUS PROPORTION OF THE BALES THAT ARE

1 CURRENTLY STORED ON SITE HAVE POTENTIAL HOMES OUT
2 THERE -- ALL OF THEM DO -- AND ONCE -- ONCE THE
3 GREEN LIGHT IS GIVEN TO GO AHEAD AND SHIP, THEY'RE
4 GOING TO BE GONE.

5 THAT DOESN'T CHANGE WHAT WE'VE
6 INDICATED AS FAR AS OUR PERMIT APPLICATION STATUS,
7 BUT IT'S -- IT'S A TWO-PART PROBLEM. IT'S A
8 PERMIT PROBLEM AND IT'S THE PILE PROBLEM, AND I
9 THINK WE HAVE A VALID RESPONSE TO BOTH.

10 CHAIRMAN JONES: RIGHT. YOU KNOW, I
11 THINK WE AS A BOARD -- AND I KNOW THE FRUSTRATION
12 THAT STAFF HAS. WE WANT THINGS LIKE THIS TO WORK.
13 THE PROBLEM SOMETIMES GETS TO BE, YOU KNOW, WAS
14 THE CART IN FRONT OF THE HORSE AT SOME POINT? DID
15 WE DO -- MAYBE WE WENT A LITTLE BIT -- IF -- YOU
16 KNOW, IF WE HAD KNOWN ABOUT SOME OF THESE THINGS,
17 I'LL BET LIFE WOULD HAVE BEEN EASIER. AND I'M
18 TELLING YOU FROM -- AS A FORMER OPERATOR THAT I'M
19 LEARNING AROUND HERE THAT -- AND I USED TO TRY TO
20 KEEP THESE PEOPLE INFORMED, AND IT ACTUALLY KIND
21 OF MADE MY LIFE A LITTLE EASIER, BUT I THINK THEY
22 WANT TO WORK WITH YOU AND THEY WANT GET THOSE
23 THINGS DONE.

24 WE'RE LIMITED BY WHAT THE STATUTE
25 SAYS, WHAT THE REGULATION SAYS. I THINK THE

1 THINGS THAT WE'RE TALKING ABOUT RIGHT NOW WITH
2 REOPENING THE REGS TO COME UP WITH SOME FORM OF
3 REGISTRATION -- I HAD TALKED TO SERGEANT HANSON
4 YESTERDAY, AS I DID TO YOU FOLKS WHEN WE WERE IN
5 THAT MEETING, THAT IF THE BOARD DEVELOPED A
6 ONE-PAGE FACT SHEET OR FOR WHATEVER TERM YOU WANT
7 TO USE THAT WENT ALONG WITH YOUR INVOICING, THAT A
8 CITY ACCEPTED THE LIABILITY, UNDERSTOOD THE
9 LIABILITY AND ALSO ACCEPTED THE FACT THAT THE
10 ULTIMATE DISPOSAL OF THOSE BALES WHEN THEY WERE
11 DONE BEING USED WOULD FALL ON THEM SO THAT THE
12 CITIZENS OF CALIFORNIA DIDN'T HAVE TO DO IT,
13 THAT'S A RESPONSIBLE WAY.

14 NOW MY FELLOW BOARD MEMBERS AND -- I
15 MEAN, WE HAVE TO WORK ON WHAT'S GOING TO MAKE
16 SENSE. WE OBVIOUSLY DON'T WANT TO SCARE YOUR
17 CUSTOMERS OFF. WE'VE GOT TO PROTECT THEM. WE GOT
18 TO BE PRETTY HONEST ABOUT WHAT WE, YOU KNOW, PUT
19 IN THAT DOCUMENT.

20 WE -- YOU KNOW, MR. RELIS ALLUDED TO
21 A -- TO AN ENERGY PLANT THAT WAS BUILT TO BURN
22 TIRES, AND WE STILL HAVE MOUNTAINS OF TIRES THAT
23 WE'RE WORKING ON.

24 WE ALSO -- YOU KNOW, THE GARBOIL --
25 THAT WAS GETTING OIL FROM GARBAGE IS WHY THE NAME

1 WAS THE ON WASTE TIRES -- IN RIALTO ENDED UP -- WE
2 ENDED UP WITH TIRE PILES ALL OF OVER THE PLACE.
3 NOW, THOSE PEOPLE THAT STARTED THOSE PILES HAD
4 EVERY INTENTION OF MAKING NOTHING BUT MONEY ON
5 BREAKING THOSE TIRES DOWN THROUGH PYROLYSIS AND
6 GETTING THE OIL AND THE CARPET BLACK.

7 THEY DIDN'T HAVE THE -- MAYBE SOME
8 OF THEM HAD -- SAW IT AS A WINDOW OF OPPORTUNITY
9 FOR FREE STORAGE, BUT, YOU KNOW, I THINK SOME OF
10 THEM REALLY THOUGHT THAT WAS GOING TO WORK, AND IT
11 DIDN'T WORK AND WE ENDED UP PAYING FOR IT. IF --
12 YOU KNOW, WE HAVE TO BE VERY CAREFUL AS WE GO DOWN
13 THIS ROAD. I THINK THAT BALED TIRES -- THIS IS MY
14 OWN PERSONAL OPINION -- HAVE A USE. I DON'T KNOW
15 THAT -- THAT -- THE 4,200 BALES OR 3,800 BALES I
16 SAW YESTERDAY WERE COMMODITIES BECAUSE WHEN --
17 WHEN YOU MAKE THAT DETERMINATION "COMMODITY," THEN
18 YOU'RE OUTSIDE THE REGULATORY FRAMEWORK AND YOU'RE
19 SAYING, "I'M JUST WAITING TO SHIP THOSE."

20 JUST LIKE THOSE PEOPLE THAT
21 STOCKPILED TIRES FOR GARBOIL WERE JUST WAITING TO
22 SHIP THAT COMMODITY SO THAT THESE GUYS COULD PULL
23 CARBON BLACK AND OIL OUT OF THEM, AND I THINK
24 THAT'S A VERY TOUGH POLICY FOR THIS BOARD TO DEAL
25 WITH. AND -- BUT I THINK WE TAKE CARE OF -- OF

1 THAT, NOT BY CALLING -- I MEAN, IT'S UP TO -- TO
2 ALL THE BOARD IF THEY'RE GOING TO CALL THIS A
3 COMMODITY OR NOT.

4 I'M -- I THINK I'M PRETTY CLEAR THAT
5 I THINK THEY'RE A USEFUL USE. I MEAN, I THINK
6 THEY'RE A USEFUL BALE OF TIRES, YOU KNOW.

7 I DON'T -- I DON'T THINK I'LL GO ANY
8 FURTHER THAN THAT, BUT AS LONG AS YOU CAN USE
9 THEM, WHO CARES? YOU KNOW, AS LONG AS YOU CAN USE
10 THEM, WHO CARES? I MEAN, THAT'S WHAT THIS WHOLE
11 THING IS ABOUT IS REUSING THINGS THAT OTHER PEOPLE
12 THINK ARE GARBAGE, FINDING A GOOD USE FOR IT. IT
13 DOESN'T CHANGE THE FACT THAT IT MIGHT STILL BE
14 GARBAGE. IT'S JUST, YOU KNOW, BEING USED RIGHT
15 AND NOT BEING LANDFILLED.

16 I HOPE THAT THAT -- THAT YOU GUYS
17 ARE GOING TO CONTINUE TO GET THAT PERMIT. THESE
18 GUYS WILL WORK WITH YOU. I MEAN, THEY'LL HELP
19 YOU. THEY'LL GET YOU A PERMIT AS QUICK AS THEY
20 CAN, YOU KNOW, WITH DOTTING ALL THE I'S AND
21 CROSSING ALL THE T'S.

22 WE -- AS MR. RELIS BROUGHT UP AND AS
23 MR. CHANDLER BROUGHT UP, WE DO HAVE TO GET THROUGH
24 THE NOTICE AND ORDER. MAYBE -- YOU KNOW, MAYBE
25 THERE'S A WAY.

1 I HOPE THAT JOE BRICKY BROUGHT THAT
2 LIST OF POTENTIAL CUSTOMERS THAT WE HAD TALKED
3 ABOUT YESTERDAY. WE'VE GOT SIGNED CONTRACTS OR
4 CONTRACTS FOR EIGHT -- EIGHT JURISDICTIONS, AND
5 YOU'VE GOT THESE, RIGHT, MR. PENNINGTON? YOU
6 KNOW, SO I THINK THERE'S SOMETHING WE CAN DO. I
7 NEED TO LET THE OTHER BOARD MEMBERS ASK SOME
8 QUESTIONS, BUT I THINK WE CAN GO DOWN THIS ROAD.

9 I'M GOING TO HAVE A HARD TIME
10 CALLING IT A COMMODITY, BUT I DON'T THINK IT
11 MATTERS AS LONG AS WE DO DETERMINE IT'S GOT A USE
12 BECAUSE I DON'T WANT TO SEE BALED TIRES ALL OVER
13 THE STATE OF CALIFORNIA, AND BECAUSE THEY WERE
14 BALED, THAT MADE THEM A COMMODITY, BECAUSE WE'RE
15 GOING TO HAVE THE GARBOILS ALL OVER AGAIN, AND
16 THAT'S NOT GOING TO WORK, SO --

17 MEMBER PENNINGTON: MR. CHAIRMAN, I -- I
18 AGREE THE APPROACH THAT WE'RE TAKING HERE IN TERMS
19 OF HAVING THE RUBBERTECH SEEK A -- SEEK THE
20 PERMIT.

21 I DEFINITELY DO NOT THINK THAT JUST
22 BY BALING THEM THAT IT STOPS THEM FROM BEING WASTE
23 TIRES. I THINK THEY'RE STILL WASTE TIRES WHETHER
24 THEY'RE LOOSE OR IN A BALE.

25 MY CONCERN IS IS THAT -- THAT

1 THERE'S SOME KIND OF A PLAN WHEN THESE THINGS ARE
2 SHIPPED TO A CITY. I -- I'M CONCERNED THAT --
3 THAT THEY SHIP 40 BALES TO QUINCY AND THEY DON'T
4 KNOW WHAT TO DO WITH THEM OR THEY THINK THEY KNOW
5 WHAT TO DO WITH THEM.

6 I'D LIKE TO MAKE SURE THAT THERE IS
7 SOME KIND OF ENGINEERING DESIGN OR SOME KIND OF
8 DESIGN THAT THE COMPANY HAS WHEN THEY SHIP THESE
9 THAT THEY'RE NOT JUST BEING LEFT THERE AND HAVING
10 SOME POLICE OFFICER DESIGN SOMETHING THAT MAY OR
11 MAY NOT BE GOOD.

12 NOW, PLEASE DON'T THINK THAT I DON'T
13 THINK POLICE OFFICERS CAN DO THINGS BECAUSE I WAS
14 A POLICE OFFICER WHEN I WENT TO COLLEGE AND THAT'S
15 HOW I PUT MYSELF THROUGH COLLEGE, SO I THINK
16 THEY'RE WONDERFUL PEOPLE, BUT I'M NOT SURE THEY'RE
17 ALL VERY GOOD ENGINEERS.

18 SO I'D LIKE TO BE ASSURED THAT THERE
19 IS SOME PLAN THAT THE -- OTHER THAN THE TRUCKS
20 SHOWING UP WITH A BUNCH OF BALES OF TIRES AND
21 THEY'RE GOING TO GET LEANED UP AGAINST A DIRT PILE
22 AND SHOT AT.

23 MR. MANDICH: I THINK IF YOU READ THE
24 LETTER THAT YOU HAVE A COPY OF FROM DANA HUMPHREY,
25 WHAT I ASKED HIM TO DO WAS PUT SOMETHING IN THAT

1 ALLOWS SOME RULE AND ORDER IN HOW YOU PROCESS
2 ANYTHING.

3 WE'RE TALKING ABOUT HAVING AN
4 ENGINEERED END FOR THE BALE ALL APPROVED,
5 EVERYTHING BEFORE IT'S SHIPPED. SAME AS WE'VE
6 DONE -- ATTEMPTED TO DO WITH THE FIRING RANGES.

7 WE TURNED AROUND AND WE'VE GOT
8 INVOLVED IN MAKING SURE THAT THESE THINGS ARE
9 FIT -- PUT TOGETHER THE WAY THEY'RE SUPPOSED TO BE
10 PUT TOGETHER BECAUSE YOU JUST DON'T THROW BALES
11 TOGETHER AND HAVE THEM COME DO THAT.

12 SO THERE'S A REAL ENGINEERING
13 PROCESS THAT GOES THROUGH WITH IT, AND -- AND
14 WE'RE NOT LOOKING TO SHIP ANY BALES ANYWHERE
15 UNLESS WE HAVE STAMPED ENGINEERED DRAWINGS AT THE
16 OTHER END SAYING THIS IS WHAT IT'S GOING TO BE AND
17 THIS IS HOW IT'S GOING TO BE BUILT.

18 WE'VE GONE AND ASKED THE CITIES TO
19 HAVE PERMITS. IN SOME CASES, AS A FIRING RANGE,
20 THEY DON'T REQUIRE A PERMIT. WE'VE GONE THROUGH
21 ALL OF THOSE STEPS, AND I THINK DR. HUMPHREYS
22 ADDRESSED SOME OF THE WAYS THAT WE COULD DO IT BY
23 ORDER OF RULE.

24 WE'RE NOT TRYING TO ESCAPE AND SAY
25 WE CAN DUMP THEM ANYWHERE AND THEY'RE NO LONGER

1 TIRES AND THEY'RE NOW SOMETHING CALLED SOMETHING
2 ELSE.

3 MEMBER PENNINGTON: I'M SURE YOU'RE NOT,
4 BUT WE DO HAVE TO BE CONCERNED ABOUT THE PRECEDENT
5 THAT IF WE JUST SAID, WELL, FINE. WE BELIEVE YOU
6 AND WE KNOW THAT YOU'RE GOING TO DO A GOOD JOB AND
7 NOT REQUIRE SOMETHING --

8 MR. MANDICH: NO. I -- I THINK THAT'S
9 WHY WE HAD DR. DANA ADDRESS THAT SO THERE IS RULE
10 TO FOLLOW.

11 MEMBER PENNINGTON: I WAS JUST SAYING
12 THAT.

13 MEMBER RELIS: MR. CHAIR.

14 SERGEANT HANSON: MR. PENNINGTON?

15 MEMBER PENNINGTON: YES.

16 SERGEANT HANSON: I JUST WANTED TO TELL
17 YOU THAT -- WHAT I HAD TO DO IN MY CITY IN ORDER
18 TO GET THESE -- THESE BALES, I HAD TO GO TO THE
19 FIRE MARSHAL, WHICH IS BATTALION CHIEF ROBINSON,
20 AND I HAD TO EXPLAIN TO HIM WHAT -- WHAT THE
21 PRODUCT WAS. I HAD TO SHOW HIM WHAT THE PRODUCT
22 WAS. I HAD TO TELL HIM WHERE THE PRODUCT WAS
23 GOING TO BE, AND THEN WE HAD TO HAVE A FIRE PLAN,
24 WHICH THERE IS NO FIRE PLAN BECAUSE I'M IN A 32
25 FOOT DEEP, 11-ACRE QUARRY WITH -- NOTHING AROUND

1 IT WOULD BURN.

2 SO HE SAID, "IF THESE THINGS CATCH
3 ON FIRE, GUESS WHAT, JIM? WE'RE JUST GOING TO LET
4 IT BURN."

5 I JUST WENT TO THE CITY ATTORNEY TO
6 MAKE SURE THAT -- THAT WE HAD A CONTRACTUAL
7 AGREEMENT THAT BENEFITED THE CITY AND WAS NOT
8 ABUSIVE TO RUBBERTECH THAT PROTECTED THE CITIZENS
9 OF THE CITY. I SPENT AT LEAST FOUR MEETINGS WITH
10 THE CITY ATTORNEY ON THAT. I THEN WENT TO THE
11 COMMUNITY DEVELOPMENT DEPARTMENT TO OBTAIN A
12 PERMIT, A WRITTEN PERMIT. BEING A LAW ENFORCEMENT
13 OFFICER, I BETTER FOLLOW THE LAW. IF I DON'T, I'M
14 IN TROUBLE, AND THEY ADVISED ME THAT BECAUSE SINCE
15 THIS WAS A REDEVELOPMENT PROJECT, THAT WE HAD A
16 FACILITY THAT WE WERE MERELY ENLARGING AND
17 REDEVELOPING, NO PERMIT WAS NECESSARY.

18 THAT DID NOT SATISFY RUBBERTECH. I
19 THEN HAD TO GO TO MY COMMANDER, CAPTAIN STEVE
20 TAYLOR, AND HAVE A LETTER FROM HIM TO RUBBERTECH
21 ADVISING RUBBERTECH THAT THE CITY WAS ACCEPTING
22 THE USE OF THE TIRE BALES, THAT THE BALES WERE TO
23 BE USED FOR A SPECIFIC PURPOSE, AND WE NAMED THOSE
24 PURPOSES IN THAT LETTER. AND IT WAS ONLY AT THAT
25 TIME THAT RUBBERTECH ACCEPTED -- THEY TOOK THE

1 LETTER FROM MY CAPTAIN, THE LETTER FROM THE FIRE
2 DEPARTMENT, WHICH WAS VERY SHORT, BUT IT WAS ONLY
3 AT THAT TIME THAT RUBBERTECH ACCEPTED THE FACT
4 THAT WE DID HAVE A PLAN, THAT WE JUST WEREN'T
5 GOING TO STORE THE TIRES.

6 THEN WE HAD -- BEFORE TIRES WERE
7 SHIPPED, RUBBERTECH ACTUALLY VISITED THE
8 FACILITY -- BOTH JOE BRICKY AND SCOTT, WHO WAS
9 WITH US YESTERDAY, VISITED THE FACILITY AND HAD ME
10 ACTUALLY WALK OUT WITH THEM WHERE WE WERE GOING TO
11 PUT THE BALES AND HOW WE WERE GOING TO PUT THE
12 BALES UP. AND THEN I THINK AT THAT TIME THEY
13 ACCEPTED THE FACT THAT WE DID HAVE A PLAN AND A
14 REASON FOR THE USE OF THE BALES, AND IT WASN'T --
15 I MEAN, I HAD TO GO THROUGH ALMOST TWO, THREE
16 WEEKS OF -- OF MEETINGS AND -- AND STUFF BEFORE
17 RUBBERTECH WOULD EVEN ACCEPT.

18 IN FACT, I HAD TO GIVE THEM A MAP.
19 I SENT YOU A DIAGRAM OF THE -- OF THE FACILITY SO
20 THAT THEY COULD SEE IT WAS AN ENGINEERED PLAN. IT
21 WASN'T SOMETHING OFF THE TOP OF MY HEAD. AND I
22 JUST WANTED TO ANSWER YOUR QUESTION THAT
23 RUBBERTECH WAS VERY -- MADE -- MADE EXTRA SURE
24 THAT WE WERE NOT JUST GOING TO TAKE THESE TIRES
25 AND THEN DAY BY DAY DECIDE WHAT WE WERE GOING TO

1 DO WITH THEM. THEY WERE VERY DILIGENT IN -- IN
2 THEIR REQUIREMENTS OF ME.

3 CHAIRMAN JONES: YES.

4 MEMBER PENNINGTON: THANK YOU. I
5 APPRECIATE THAT.

6 MEMBER RELIS: MR. CHAIR, I THINK -- I
7 FEEL -- I KNOW THIS ITEM IS AGENDIZED AS A
8 DISCUSSION ITEM; WE'RE NOT TAKING ACTION, I GUESS,
9 UNLESS THERE WAS SOME OVERRIDING REASON.

10 I'M CERTAINLY COMFORTABLE WITH THE
11 DIRECTION THAT -- THAT WE HEARD FROM MR. CHANDLER
12 AND THEN I THINK SUBSEQUENT FROM THE RUBBERTECH
13 PEOPLE.

14 THEY SEEM AT HOME WITH THAT, SO I
15 WOULD RES -- SUGGEST WE RESERVE ALL THE REMAINING
16 DISCUSSION FOR THE HEARING PHASE AND WOULD JUST
17 POINT OUT TO RUBBERTECH WHAT WILL BE FOREMOST IN
18 THE MIND OF THIS MEMBER AT THAT STAGE WILL BE
19 EVIDENCE THAT THESE ENGINEERED APPLICATIONS ARE
20 INDEED IN THE MARKETPLACE, MEANING THAT YOU HAVE
21 CLEAR DEMONSTRABLE EVIDENCE THAT THESE PILES ARE
22 MOVING AS A PAPER PILE WOULD ONCE IT'S BEEN
23 COLLECTED AND SORTED OR OTHER MATERIALS THAT WE
24 NOW CALL COMMODITIES THAT HAVE A -- A REASONABLE
25 STORAGE TIME FRAME AND THEN THEY MOVE OUT AS A

1 MATTER OF COMMON BUSINESS PRACTICE. AND I THINK
2 THAT WE ARE LOOKING FOR SOME ASSURANCE AS WE MOVE
3 IN THAT DIRECTION THAT YOU INDEED ARE -- ARE
4 DEALING WITH SOMETHING THAT STARTS TO HAVE THE
5 APPEARANCE OF A PRODUCT OR A MATERIAL THAT BEHAVES
6 IN THAT WAY.

7 SO I DON'T KNOW WHAT MORE WE NEED TO
8 DO HERE.

9 CHAIRMAN JONES: YOU KNOW, I THINK WE
10 NEED TO TALK JUST A LITTLE BIT ABOUT -- I'D LIKE
11 TO GET SOME SENSE FROM THE BOARD MEMBERS, AND WE
12 HAVE BOARD MEMBER FRAZEE IN THE BACK OF THE ROOM,
13 WHO IS THE CHAIRMAN OF PERMITS AND ENFORCEMENT.

14 I THINK THE NOTICE AND ORDER MAKES A
15 LOT OF SENSE, BUT I THINK THAT A WAY -- SINCE WE
16 ARE GOING TO OPEN THIS UP AND START THE REG
17 PACKAGE, AND I WOULD LIKE THIS -- THIS COMMITTEE
18 TO -- SINCE -- SINCE YOU'VE MADE THE INDICATION
19 AND DAN, MR. PENNINGTON, HAS -- HAS SUPPORTED
20 IT -- WE DON'T HAVE A MOTION YET, BUT I'D LIKE TO
21 HAVE THAT REG PACKAGE COME -- GO THROUGH IN 120
22 DAYS. I THINK WE NEED TO AT LEAST LOOK AT THE
23 SLOTING OF FACILITIES THAT AREN'T ACTIVE WASTE
24 FACILITIES OR TIRE FACILITIES, BUT ARE ACTUALLY IN
25 SOME FORM OF A REGISTRATION THAT WE KNOW WHERE THE

1 PILES ARE, WE KNOW WHERE THOSE TYPES OF THINGS
2 ARE, AND I DON'T KNOW IF 120 DAYS IS -- IS ENOUGH,
3 BUT IT SOUNDED LIKE A GOOD NUMBER TO --

4 MR. CHANDLER: WELL, I THINK WE OUGHT TO
5 BRING IT TO THE BOARD FASTER THAN 120 DAYS.

6 CHAIRMAN JONES: OH, I WANT THE PROCESS
7 COMPLETED IN 120 DAYS.

8 MR. CHANDLER: YEAH. THAT'S WHAT I HEARD
9 YOU SAY IS GETTING IT ROLLING. I THINK WE COULD
10 DO THAT IN THE NEXT -- DOROTHY, WHEN DID WE HAVE
11 THESE SLATED? WASN'T IT FOR SEPTEMBER OR OCTOBER?

12 MS. RICE: CORRECT. WE HAD ALREADY
13 PLANNED TO REOPEN THE TIRE PERMITTING REGULATIONS
14 TO START A RULE-MAKING PROCESS PROBABLY IN THE
15 SEPTEMBER TIME FRAME IN RESPONSE TO CONCERNS THAT
16 THE EXISTING EXCLUSIONS WERE IN SOME CASES TOO
17 NARROW AND IN SOME CASES TOO BROAD AND IN SOME
18 CASES MAY NOT HAVE SUPPORTED ADEQUATELY END USES,
19 WHICH IS THE ISSUE THAT'S BEING DISCUSSED TODAY.

20 SO WE HAD PLANNED TO BRING THOSE
21 FORWARD TO START THE RULEMAKING PROCESS IN
22 SEPTEMBER, MOST LIKELY TO THE PERMITTING AND
23 ENFORCEMENT COMMITTEE, WHICH I BELIEVE IS THE
24 COMMITTEE THAT HEARD THE PACKAGE PRIOR.

25 WE CAN CERTAINLY DISCUSS WITH THE

1 DIRECTOR WHETHER WE CAN ACCELERATE THAT ANY
2 FURTHER, BUT THAT'S REALLY A MONTH AND A HALF
3 AWAY.

4 MR. CHANDLER: THAT'S 60 DAYS OR SO. I
5 THINK THAT'S FASTER THAN 120 DAYS.

6 MS. RICE: I DO NOT THINK, HOWEVER, THAT
7 WE CAN PREDICT WE COULD BE DONE WITH THAT
8 RULEMAKING IN 120 DAYS.

9 I DON'T -- I THINK MR. RELIS WAS
10 HERE WHEN THOSE TIRE REGULATIONS WERE FIRST
11 PROMULGATED. IT WAS VERY CONTENTIOUS, AS I
12 RECALL. IT TOOK SOME TIME, AND ALL OF THE
13 INTEREST GROUPS THAT EITHER HAVE A CONCERN WITH AN
14 EXCLUSION, WANTING IT TO BE NARROW OR BROAD, WILL
15 BE AT THE TABLE AGAIN IF WE REOPEN THOSE
16 REGULATIONS. SO IT WILL NOT BE A SIMPLE MATTER OF
17 LOOKING AT BALED TIRES OR LOOKING AT CIVIL
18 ENGINEERING APPLICATIONS AND HOW TO APPROACH THEM.

19 I THINK IT'S ALSO IMPORTANT TO KEEP
20 IN MIND THAT IN A SENSE THE TIRE SCHEME IN STATUTE
21 AND REGULATION IS ALSO A FORM OF TIERED
22 PERMITTING. WE HAVE EXCLUSIONS AUTHORIZED, WE
23 HAVE MINOR PERMITS AND MAJOR PERMITS. SO IN A
24 SENSE I DON'T IMAGINE THAT WE WOULD BE TRYING TO
25 MIRROR THE SOLID WASTE FACILITIES APPROACH WE'VE

1 TAKEN WITH NON-TRADITIONAL FACILITIES, BUT WOULD
2 PROBABLY TRY TO FIT IT WITHIN WHAT WE'VE GOT
3 ALREADY AUTHORIZED, THE ENTIRE STATUTE, AND
4 HOPEFULLY THAT CAN BE ACCOMMODATED.

5 CHAIRMAN JONES: IN THE TIME THAT IT'S
6 GOING TO TAKE TO GET THROUGH THAT -- AND I'M NAIVE
7 ABOUT THOSE THINGS. I DON'T -- SO I DON'T --
8 WHATEVER THE TIME TAKES -- WOULD IT -- WOULD IT
9 MAKE SENSE TO LOOK AT -- WE'VE GOT EIGHT CONTRACTS
10 THAT ARE SIGNED TO MOVE 4,200 BALES OR SOMETHING,
11 SOMETHING LIKE THAT.

12 WOULD IT MAKE SENSE THAT AS WE
13 ARE -- WE'VE -- WE HAVE HAD TIMES WHEN, AS WE WERE
14 DEVELOPING REGULATIONS, THAT WE NOTIFIED THE FOLKS
15 THAT WERE -- THAT WERE GOING TO BE AFFECTED AND WE
16 SAID WE'RE GOING TO -- WE'RE GOING TO WORK ON
17 THESE REGS, WE'RE GOING TO DO THAT. YOU CAN GO
18 AHEAD AND DO THESE THINGS AS A DEMONSTRATION
19 PROJECT. I THINK IT LENDS SOME CREDIBILITY TO GET
20 SOME DATA FROM THESE FACILITIES HOW THE CIVIL
21 ENG -- YOU KNOW, WHAT THE DIFFERENT DESIGNS WERE,
22 HOW THE CAPABILITIES ARE WORKING.

23 IT WOULD GIVE US A CHANCE TO TAKE
24 CARE OF THE NOTICE AND -- I MEAN, TAKE CARE OF THE
25 GETTING THOSE TIRES OUT WITH THE UNDERSTANDING

1 THAT THEY ARE GOING TO FALL INTO SOME TIER. AND I
2 THINK RIGHT NOW IF WE -- IF WE RELY ON THE REGS,
3 THEY'RE ONLY GOING TO BE ABLE TO PUT 33 BALES OUT,
4 AND THAT'S NOT GOING TO WORK.

5 SO I DON'T KNOW WHAT THE OTHER BOARD
6 MEMBERS THINK, BUT I -- YOU KNOW -- I MEAN, COULD
7 WE COME UP WITH SOME KIND OF A WAY TO DO THESE AS
8 DEMOS AND LIST THEM AND --

9 MS. RICE: IF IT IS THE DIRECTION OF THE
10 COMMITTEE, WE WOULD CERTAINLY TRY TO EXPLORE A
11 PROCESS WHERE WE COULD AUTHORIZE THESE, THE FIRING
12 RANGES AND THE OTHER APPLICATIONS THAT ARE BEING
13 PROPOSED, UNDER A DEMONSTRATION OF SOME SORT. WE
14 DON'T HAVE ANYTHING DEVELOPED RIGHT NOW. I THINK
15 WE'D BE INTERESTED IN A LITTLE BIT MORE GUIDANCE
16 FROM THE BOARD ON HOW THAT SHOULD LOOK, HOW MANY
17 DEMOS WOULD YOU WANT, THE TIME FRAME FOR THEM,
18 WHAT KINDS OF PARAMETERS WE WOULD PUT ON THEM.

19 I'M HEARING THAT ONE WOULD BE WE'D
20 WANT A CLEAR UNDERSTANDING THAT THE CITY OR THE --
21 THE FOLKS TAKING THE TIRES UNDERSTAND THE
22 LIABILITY AND THE RESPONSIBILITY THEY ARE
23 ACCEPTING, ISSUES LIKE THAT. SO WE WOULD BE MORE
24 THAN HAPPY TO TRY TO DRAFT SOMETHING UP AND HAVE
25 YOU REVIEW IT AND SEE IF IT'S IN LINE WITH WHAT

1 YOUR THINKING IS.

2 AS FAR AS THE ORDER, MY UNDER-
3 STANDING OF THE ENFORCEMENT ORDER IS THAT IT DOES
4 DEAL WITH THE STORAGE ON THE GROUND, AND SO I
5 WOULD VIEW THAT AS STILL A VALID ORDER --

6 CHAIRMAN JONES: RIGHT.

7 MS. RICE: -- IN MY MIND BECAUSE THAT
8 SITUATION DOES EXIST.

9 OF COURSE, IF WE ENTERED INTO SOME
10 KIND OF A DEMONSTRATION PROGRAM WHERE WE
11 AUTHORIZED THE BALES TO BE MOVED OUT MORE QUICKLY
12 THAN THEY MIGHT OTHER -- OTHERWISE, THEN I'D
13 ASSUME THEY'D ACHIEVE COMPLIANCE WITH THE ORDER
14 MORE QUICKLY THAN THEY OTHERWISE COULD. SO THEIR
15 GOAL WOULD BE ACHIEVED THAT WAY IF WE WORKED ON
16 THE DEMONSTRATION.

17 MS. SMALL: THE OTHER THING IS THEY WILL
18 BE IN COMPLIANCE WITH THE ORDER AS SOON AS THEY
19 GET THEIR PERMIT, SO THEY CAN COMPLY EITHER WAY.
20 IF THEY GET THEIR PERMIT, THEY'RE IN COMPLIANCE.
21 IF THEY MOVE THE TIRES, THEY'RE IN COMPLIANCE.

22 MEMBER RELIS: WOULD THE ORDER -- ON THIS
23 STORAGE SIDE, WOULD THAT DEAL WITH THE PILE
24 ROUGHLY THE SIZE AS IT IS NOW? I MEAN WOULD THEY
25 BE ALLOWED TO STORE 3,300 OR 3,600 OR --

1 MS. RICE: WHATEVER THEY OBTAINED A
2 PERMIT FOR WOULD BE THE NUMBER OF TIRES THEY COULD
3 MAINTAIN.

4 MEMBER RELIS: THEY HAVE THAT NUMBER THEY
5 SUBMIT.

6 MS. RICE: RIGHT. WE HAVE NOT SEEN A
7 PERMIT APPLICATION OF ANY KIND, SO I DON'T KNOW
8 WHAT THEY'RE SEEKING IN TERMS OF SIZE. I ASSUME
9 IT'S A MAJOR WASTE TIRE PERMIT FOR OVER 5,000.

10 CHAIRMAN JONES: IT BETTER BE.

11 MR. CHANDLER: MR. RELIS, I THINK PART OF
12 THE PROBLEM IS HERE, THOUGH, AS MS. SMALL JUST
13 POINTS OUT, THEY'RE IN COMPLIANCE IF THEY GET
14 THEIR PERMIT, BUT THEIR PROBLEM IS NOT SOLVED ON
15 THE OTHER END WHERE WE ARE SAYING TO THEM THEY
16 CANNOT MOVE THESE BALES AND TEMPORARILY STORE THEM
17 IF THAT'S MORE THAN 33 BALES FOR OVER 150 DAYS
18 WHILE THEY WAIT TO GO INTO A BALLISTIC RANGE.
19 AND, MOREOVER, WHEN YOU DO GET READY TO PUT THEM
20 IN A BALLISTIC RANGE, YOU NOW HAVE TO COME IN AND
21 GET A WASTE TIRE PERMIT APPLICATION COMPLETED WITH
22 ALL OF THE ATTENDANT RESPONSIBILITIES THAT GO WITH
23 THAT.

24 AND THAT'S WHAT WE'RE GOING TO VISIT
25 WHEN WE OPEN UP THE REGULATIONS IS THOSE TYPES OF

1 STATIC OPERATIONS WHERE TIRES THAT ARE IN A BALED
2 FORM BEING PUT TO A USE REQUIRE A WASTE TIRE
3 PERMIT, OR IS IT AN EXCLUSION OR IS IT SOMEWHERE
4 IN THE MIDDLE WHERE WE HAVE SOME NOTIFICATION OR
5 IDENTIFICATION WITH SOME CONDITIONS AROUND THAT,
6 AND THAT'S WHAT WE'RE GOING TO DEVELOP.

7 WHAT I THINK WE HAVE TO ADDRESS --
8 WE'RE GETTING THE FRONT END. GET YOUR DARN PERMIT
9 APPLICATION IN HERE AND WE'LL PROCESS IT AS
10 QUICKLY AS WE CAN.

11 WE ALSO HAVE TO DEAL WITH THE BACK
12 END, WHICH IS WHY THE GENTLEMAN FROM TRACY IS HERE
13 TODAY, WHICH IS CAN WE TAKE THESE AND BEGIN TO
14 TEMPORARILY STORE THEM AND CAN WE THEN MOVE THEM
15 INTO A -- INTO AN END USE APPLICATION LIKE A
16 BALLISTIC RANGE, AND WHAT ARE GOING TO BE THE
17 RESPONSIBILITIES THAT WE HAVE BEYOND THAT?

18 AND I'M JUST SUGGESTING THAT UNTIL
19 THIS BOARD VISITS THAT QUESTION IN A REGULATORY
20 SETTING, AND DOROTHY'S RIGHT, WE'RE GOING TO HAVE
21 PEOPLE SAYING, "WHAT ABOUT MY BALED TECHNOLOGY?"
22 AND IT WILL BE FAR DIFFERENT FROM THEIRS AND
23 THEY'LL BE ARGUING THAT THAT DOESN'T REALLY
24 CONSTITUTE A BALED TECHNOLOGY. WE'VE BEEN THERE
25 BEFORE. IT'S WHICH BALED TECHNOLOGY DO YOU REALLY

1 WANT TO PERMIT OR HAVE AN EXEMPTION.

2 AND -- SO THERE'S GOING TO BE LOTS
3 OF DISCUSSION ON THIS DOWN THE ROAD, AND I'M JUST
4 SUGGESTING FOR RIGHT NOW, THEY SEEM TO HAVE A GOOD
5 PRODUCT. IT SEEMS TO BE IN DEMAND. DO WE WANT TO
6 ALLOW THAT -- THOSE BALES TO MOVE INTO THE
7 MUNICIPALITIES, THESE EIGHT AND PERHAPS OTHERS
8 THAT COME FORWARD, AS THEY MARKET THEIR PRODUCT
9 AND -- AND ALLOW FOR THOSE BALES TO MOVE. AND
10 THAT'S A POLICY CALL THAT, AS MR. JONES SAID, THIS
11 IS THE FINE LINE THAT WE'RE TRYING TO BALANCE
12 HERE. WHERE DO WE DRAW IT?

13 MEMBER RELIS: I FEEL COMFORTABLE WITH
14 THAT AS LONG AS THERE IS SOME -- SOMETHING
15 EXPLICIT TO THE PARTIES USING -- THAT -- THAT THEY
16 UNDERSTAND WHAT THEY'RE GETTING AND THAT THEY BEAR
17 RESPONSIBILITY OF SOME SORT, AND I -- I THINK
18 THAT'S BEST DONE OUTSIDE OF THIS FORUM FOR YOU
19 GUYS TO HAMMER OUT THE LANGUAGE ON THAT.

20 I DON'T SEE --

21 MEMBER PENNINGTON: I DON'T SEE HOW WE --
22 I DON'T SEE HOW WE CAN MAKE THESE DEMONSTRATION
23 PROJECTS WITHOUT -- WITHOUT THROWING IT OPEN, AND
24 THEN IT HAS TO BECOME A COMPETITIVE THING WHERE
25 OTHER -- OTHER PEOPLE THAT BALE COULD SAY, "WELL,

1 GEE, WE WANT TO BID ON DOING A DEMONSTRATION
2 PROJECT. "

3 SO I THINK WE GOT OURSELVES TRAPPED
4 INTO A PROBLEM THEN. THE OTHER THING I'M CURIOUS
5 ABOUT IS IS THERE A CEQA PROBLEM HERE? DO THEY
6 HAVE AN ENVIRONMENTAL IMPACT?

7 MS. RICE: IT DEPENDS ON THE NATURE OF
8 THE PERMIT THEY WERE SEEKING, AND I ASSUME IT
9 WOULD BE PRIMARILY A LOCAL DETERMINATION WHETHER
10 CEQA'S TRIGGERED BY ANY APPROVAL THEY MAY NEED
11 LOCALLY OR ONCE THEY DETERMINE WHETHER THEY'RE
12 GOING TO GET A PERMIT FROM US.

13 MS. SMALL: THAT'S GOING TO BE A FACTUAL
14 ISSUE BECAUSE UNDER THE STATUTE, YOU ARE EXEMPT
15 FROM CEQA IF YOU ARE AN EXISTING FACILITY. THEY
16 WERE NOT AN EXISTING FACILITY AT THE TIME THE
17 STATUTE WAS ENACTED.

18 MEMBER PENNINGTON: SO IT'S NOT OUR
19 PROBLEM.

20 MS. SMALL: WELL, ACTUALLY, IF WE ARE
21 GIVING THE PERMIT, IT IS OUR PROBLEM.

22 CHAIRMAN JONES: IS THE CEQA QUESTION FOR
23 THE WENBURY PRODUCT OR FOR THE FIRING RANGES?

24 MEMBER PENNINGTON: FIRING RANGES.

25 CHAIRMAN JONES: YEAH. WHY WOULD THE

1 FIRING RANGE -- THE FIRING RANGE, WOULD THEY NEED
2 IT?

3 MS. RICE: THAT WOULD BE A CASE-BY-CASE
4 DETERMINATION AT THE LOCAL LEVEL DEPENDING ON ANY
5 APPROVALS THEY HAD TO GET LOCALLY. AND IF WE WERE
6 NOT INVOLVED WITH THE PERMIT THERE, IT WOULDN'T BE
7 A MATTER WE'D BE INVOLVED WITH.

8 MS. SMALL: IF IT'S SOME KIND OF A
9 DEMONSTRATION PROJECT OR SOMETHING OTHER THAN
10 PERMITTING, THEN IT IS THEIR LOCAL APPROVAL THAT
11 WOULD OR WOULD NOT TRIGGER CEQA AS A PROJECT.

12 CHAIRMAN JONES: THAT'S UP TO THEM.
13 THAT'S THEIR RESPONSIBILITY.

14 MS. SMALL: CORRECT.

15 MR. WALSH: MR. CHAIRMAN, I WASN'T GOING
16 TO SAY ANYTHING, BUT AS A POINT OF CLARIFICA-
17 TION --

18 CHAIRMAN JONES: YOU SHOULD PROBABLY
19 IDENTIFY YOURSELF.

20 MR. WALSH: DANNY WALSH FROM WENBURY.

21 I THINK MR. RELIS AND MR. CHANDLER
22 WERE ADDRESSING THE CORRECT ISSUE. LAST WEEK
23 THERE WAS SOME DISCUSSION THAT IN TERMS OF THIS
24 IMMEDIATE PROBLEM WITH THE STORAGE ON THE OUTSIDE
25 OF THE WENBURY SITE IN MERCED, THERE WAS SOME

1 DISCUSSION ABOUT AN EXEMPTION FOR THE STORAGE AT
2 THE SITE BEFORE THEY GO INTO THE SHOOTING RANGES.
3 AND I THINK WHAT WE WERE LOOKING AT OR AT LEAST
4 DISCUSSING WAS THE POSSIBILITY FOR AN EXEMPTION
5 BECAUSE WHAT HAPPENS IS WHEN THESE BALES MOVE,
6 THEY GO RIGHT TO THE SITE AND WITHIN HOURS ARE
7 INTO THE SHOOTING RANGES.

8 I BELIEVE SERGEANT HANSON SAID THAT
9 THE BALES AT HIS SITE DIDN'T SIT ON THE GROUND
10 MORE THAN TWO OR THREE HOURS, AND THAT'S WHAT
11 WE'RE TALKING ABOUT A PERMIT FOR THE STORAGE ON
12 SITE.

13 IF, IN FACT -- AND CORRECT ME IF I'M
14 WRONG -- IF, IN FACT, THESE BALES MOVED DIRECTLY
15 FROM MERCED TO THE SITE AND WENT RIGHT INTO THE
16 SHOOTING RANGE, AN EXEMPTION PERMIT WOULDN'T BE
17 REQUIRED.

18 CHAIRMAN JONES: IT WOULD BE REQUIRED.

19 MR. WALSH: SO WE'RE TALKING ABOUT AN
20 EXEMPTION PERMIT FOR INTERIM STORAGE ON THE SITE
21 PRIOR TO THEM GOING INTO THE SHOOTING RANGE. AM I
22 CORRECT THERE, DOROTHY?

23 MS. RICE: WELL, I THINK WE'VE PERHAPS
24 GOT TWO ISSUES GOING HERE. I HAVE HEARD THE
25 COMMITTEE AND THE DIRECTOR EXPRESS CONCERNS ABOUT

1 BOTH ISSUES, STORAGE ON THE GROUND BEFORE A
2 PROJECT IS CONSTRUCTED AND THEN ALSO WHETHER THE
3 PROJECT ITSELF CONSTITUTES AN END USE. AND THE
4 DIRECTOR SUGGESTED AN APPROACH OF LOOKING AT THAT
5 IN SOME SORT OF A DEMONSTRATION APPROVAL TO GIVE
6 US TIME TO COMMENCE A RULEMAKING AND ALSO TO
7 GATHER SOME DATA ON WHETHER THE FIRING RANGE IS
8 GOING TO POSE ANY ISSUES DOWN THE ROAD.

9 SO AT THIS POINT, I AM NOT HEARING
10 THAT WE HAVE DETERMINED THAT THE FIRING RANGE USE
11 WOULD OR WOULD NOT REQUIRE FURTHER APPROVAL.

12 MEMBER PENNINGTON: THIS IS THE PROBLEM
13 HERE THAT -- THAT IN ORDER TO COMPLY WITH THE
14 NOTICE AND ORDER, THEY'VE GOT TO MOVE THOSE BALES
15 OFF THE MERCED SITE.

16 MS. RICE: OR OBTAIN A PERMIT.

17 MEMBER PENNINGTON: OR OBTAIN A PERMIT.

18 AND IF THEY -- IF THEY OBTAIN A
19 PERMIT, THEY'RE ALL RIGHT. IF THEY DON'T GET THE
20 PERMIT, THEN THEY'VE GOT TO MOVE THEM AND,
21 THEREFORE, THEY'VE GOT TO MOVE THEM TO THESE
22 LOCATIONS. BUT WHEN THEY MOVE THEM TO THESE
23 LOCATIONS, IF THEY'RE NOT READY TO PUT THEM INTO
24 THE FIRING RANGE, THEN THEY'VE GOT TO HAVE A
25 PERMIT TO STORE THEM THERE OR THE LOCAL GOVERNMENT

1 HAS.

2 MR. WALSH: OR AN EXEMPTION.

3 MEMBER PENNINGTON: OR EXEMPTION.

4 THE EASY WAY OUT IS TO GET THE
5 PERMIT BECAUSE THEY'VE GOT 120 DAYS OR 150 DAYS ON
6 THIS NOTICE, RIGHT?

7 MS. RICE: SIXTY DAYS, I BELIEVE.

8 MEMBER PENNINGTON: SIXTY DAYS.

9 MS. RICE: IT CAN BE AMENDED.

10 MEMBER PENNINGTON: YEAH. SO THE REAL
11 ANSWER IS TO GET THE PERMIT --

12 MR. WALSH: AND I'M --

13 MEMBER PENNINGTON: -- IT SEEMS TO ME.

14 MR. WALSH: EXCUSE ME. AND I WANT TO
15 MAKE IT PERFECTLY CLEAR STAFF HAS BEEN VERY GOOD
16 TO WORK WITH AND COOPERATIVE, AND WE'RE -- YOU
17 KNOW, AS THE CHAIRMAN OF THE COMMITTEE SAID, WE'RE
18 REALLY IN THIS CUSP OF THE WAY YOU DID THINGS
19 PREVIOUSLY AND THESE NEW USES THAT ARE COMING UP
20 MONTHLY. AND SO IT IS TIME TO REVISIT THE REGS.
21 WE ARE CONFIDENT WITH THE NUMBER OF MUNICIPALITIES
22 THAT WE HAVE UNDER AGREEMENT WITH FOR X NUMBER OF
23 BALES FOR EACH OF THOSE THAT THAT STOCKPILE IN THE
24 YARD CAN MOVE WITHIN TWO TO THREE MONTHS.

25 I MEAN, IT CAN BE GONE, AND THEN

1 HOPEFULLY BY THAT TIME, WE WILL BE WELL INTO THE
2 REGS, BUT THE CITIES UNDERSTAND THEY HAVE TO
3 ASSUME RESPONSIBILITY FOR THEM. THEY'RE GOING TO
4 HAVE TO GO THROUGH A SIMILAR PROCESS THAT SERGEANT
5 HANSON WENT THROUGH, AND WE JUST WANT TO BE ABLE
6 TO ACCOMMODATE THAT.

7 CHAIRMAN JONES: WHAT I'M TRYING TO DO IS
8 GET YOU THERE.

9 MR. WALSH: YES.

10 CHAIRMAN JONES: BUT I THINK YOU NEED TO
11 KNOW THAT ONE OF THE ISSUES, THAT ANYBODY THAT
12 TAKES THAT MANY BALES OF TIRES NEEDS UNDER TODAY'S
13 LAW A MAJOR SOLID WASTE FACILITIES PERMIT.

14 MR. KEFFER: TIRES.

15 CHAIRMAN JONES: TIRE PERMIT.

16 IF YOU GET AN EXEMPTION, THAT ONLY
17 GOES TO 499 TIRES. THAT'S 33 BALES. SO I DON'T
18 KNOW WHAT WORD YOU WANT TO USE, BUT MY WORD WAS A
19 DEMONSTRATION PROJECT TO GET AROUND THAT NUMBER.
20 I DON'T CARE WHAT WORD YOU USE. TO GET 600 BALES
21 TO -- BUTTE COUNTY NEEDS SOMETHING, RIGHT? I
22 WOULD LIKE TO HAVE TO SEE THIS THING MOVE FORWARD,
23 BUT WE ARE LOCKED IN BY WORDS THAT ARE IN A
24 STATUTE. SO YOU PICK A WORD. I MEAN, I DON'T
25 REALLY HAVE A PROBLEM WITH WHAT WORD JUST SO LONG

1 AS IT GETS US THERE.

2 MR. WALSH: WE AGREE. I DON'T HAVE ANY
3 PRIDE IN AUTHORSHIP EITHER.

4 MR. CHANDLER: LET ME --

5 MR. WALSH: THANK YOU.

6 MR. CHANDLER: COUNSEL HAS POINTED OUT
7 SECTION 42872, THE TIRE RECYCLING PROGRAM MAY
8 INCLUDE, BUT IS NOT LIMITED TO THE FOLLOWING: (E)
9 SAYS, "DEVELOPMENT AND IMPLEMENTATION OF
10 INFORMATION PROGRAM AIMED AT PROMOTING
11 ALTERNATIVES TO LANDFILL DISPOSAL HOLD -- EXCUSE
12 ME -- OF USED WHOLE TIRES."

13 LET'S CALL THIS AN INFORMATIONAL
14 PROGRAM AIMED AT --

15 CHAIRMAN JONES: I LOVE THIS STAFF. I
16 ABSOLUTELY LOVE WORKING HERE. I TELL YOU. I DO.

17 MR. CHANDLER: WELL, I MEAN --

18 CHAIRMAN JONES: I DO.

19 MR. CHANDLER: -- I SAY THAT SAYING THAT
20 WE'RE ON THE BORDER. THIS IS MORE THAN
21 INFORMATION; THIS IS GOING TO BE INFORMATION
22 DEMONSTRATION.

23 CHAIRMAN JONES: RIGHT.

24 MR. CHANDLER: IF THIS IS WHERE YOU WANT
25 TO GO WITH THIS, THEN I'M SUGGESTING THAT THE

1 CLARITY THAT THEY GET FROM TODAY'S DISCUSSION IS
2 THEY NEED TO GET A PERMIT, BUT THEY ALSO CAN SEEK
3 MOVING THESE TIRES TO THESE -- AND I'M TALKING
4 STRICTLY THESE RANGE PROJECTS WITH SIGNED PURCHASE
5 PRODUCTS, NOT LEVEE PROJECTS THAT WE HAVEN'T SEEN
6 ANYTHING ON.

7 I'M -- I'M VERY CONCERNED THAT THIS
8 IS NOT INTERPRETED TO BE ANY APPLICATION OF A BALE
9 PROJECT, BUT WHAT WE'VE HEARD TODAY, THE TESTIMONY
10 THAT WE HEARD ON THIS INFORMATION LINE --

11 MEMBER RELIS: SO RESTRICTING IT TO THE
12 RANGES?

13 MR. CHANDLER: I THINK THE RANGE
14 PROJECT --

15 MEMBER RELIS: THEN WE PUT OUR HANDS
16 AROUND THIS AT LEAST IN AN INTERIM FASHION. WE
17 DON'T OPEN UP THE WHOLE BUSINESS TO ALL POSSIBLE
18 USES OF BALED TIRES, WHICH WOULD MAKE ME VERY
19 UNCOMFORTABLE FROM A DEMONSTRATION IDEA OR AN
20 INFORMATION --

21 MR. CHANDLER: AND I'M MORE COMFORTABLE
22 THAT WE'RE WORKING WITH MUNICIPALITIES VERSUS JUST
23 A FARMER WHO MAY WANT TO QUICKLY REBUILD A LEVEE
24 PROJECT THAT WE KNOW NOTHING ABOUT AND WHETHER IT
25 IS PROPERLY ENGINEERED.

1 THESE -- WITH MR. HUMPHREY'S
2 OVERVIEW AND WHAT WORK HAS BEEN DONE TO DATE, I
3 SAY WE GATHER MORE INFORMATION ON THESE TYPES OF
4 APPLICATIONS, SPECIFICALLY THE BALLISTIC RANGES,
5 SO THAT WE CAN BRING THAT BACK TO THE RULEMAKING
6 SETTING IN 60 DAYS OR SO.

7 MS. SMALL: I THINK IN THE SPIRIT OF THE
8 STATUTE, WHAT WOULD BE APPROPRIATE WOULD BE TO
9 HAVE SPECIFIC CRITERIA FOR THIS INFORMATIONAL
10 PROGRAM.

11 MEMBER RELIS: OKAY. SO THE
12 INFORMATIONAL PROGRAM IS SPECIFICALLY RANGES,
13 FIRING OR -- I DON'T KNOW WHAT THE EXACT --

14 MEMBER PENNINGTON: SHOOTING.

15 MEMBER RELIS: -- TERMINOLOGY, AND IN
16 ACKNOWLEDGEMENT OF THAT, WE WOULD RECEIVE -- SOME
17 FORM WOULD BE PREPARED THAT THE LOCAL ENTITY WOULD
18 SIGN TOO SO THAT WE HAVE A PAPER TRAIL ON THIS
19 ARRANGEMENT FOR INFORMATION GATHERING PURPOSES BY
20 THE APPROPRIATE AUTHORITY, SOMEONE SIGNING FOR THE
21 ENTITY WITH THE EXPRESS AUTHORITY TO DO THAT,
22 INDICATING THEY'RE RESPONSIBLE FOR THESE TIRES,
23 BALES.

24 MS. SMALL: PERHAPS THE COMMITTEE COULD
25 DIRECT STAFF TO PREPARE A CRITERIA FOR THIS

1 PROGRAM THAT THEY COULD PRESENT TO YOU AT THE
2 BOARD MEETING, AND THEN WE COULD HAVE AN APPROVAL
3 OF SOME SORT OF A CRITERIA.

4 MEMBER PENNINGTON: SO MOVED.

5 MEMBER RELIS: WELL, WE DON'T REALLY NEED
6 TO TAKE -- LET'S SEE. WE WOULD HAVE TO -- TO PUT
7 THIS ON AS AN ACTION --

8 MS. RICE: THIS IS CURRENTLY NOT AN
9 ACTION ITEM, SO I ASSUME IF WE'RE WITHIN THE TIME
10 LIMITS TO PUT A TITLE DIRECTLY TO THE BOARD
11 MEETING --

12 MEMBER RELIS: IT'S A CONSIDERATION.

13 MS. RICE: -- WE COULD DEVELOP A
14 CONSIDERATION TITLE FOR THIS INFORMATIONAL PROGRAM
15 AND THE NEEDED CRITERIA.

16 MEMBER PENNINGTON: FOR THE DEVELOPMENT
17 OF LAW ENFORCEMENT TRAINING FACILITIES.

18 MS. RICE: LAW ENFORCEMENT --

19 MEMBER PENNINGTON: TRAINING FACILITIES.

20 MS. RICE: -- TRAINING FACILITIES.

21 THAT'S GOOD.

22 MEMBER RELIS: SO THAT SHOULD DO IT.
23 WE'RE NOT TAKING ACTION HERE NOW. WE'RE JUST
24 DIRECTING SOMETHING FOR -- THAT WOULD BE AGENDIZED
25 AS A CONSIDER -- CONSIDERATION ITEM.

1 MR. CHANDLER: RIGHT. I THINK WHAT WE
2 WANT TO DO IS JUST BRING YOU THE GUIDING
3 PRINCIPLES THAT WOULD SURROUND THIS INFORMATION
4 AND DEMONSTRATION PROGRAM.

5 OBVIOUSLY BETWEEN NOW AND THEN,
6 I'M -- I'M CONCERNED THAT WE DON'T OVERLY
7 BUREAUCRATIZE THIS TO WHERE WE'VE GOTTEN MORE IN
8 OUR INFORMATIONAL REQUIREMENTS THAN WE DO IN OUR
9 STANDARD PERMIT APPLICATION.

10 SO I WANT TO MAKE IT SIMPLE AND TO
11 THE POINT, BUT I DO THINK THERE'S SOME GOOD
12 DISCLOSURE OF BASIC INFORMATION OF WHEN THEY SIGN
13 ON THE DOTTED LINE AS THE TRACY POLICE DEPARTMENT
14 OR WHATEVER, THEY UNDERSTAND WHAT IT IS THAT
15 THEY'RE BEING ASKED, INCLUDING MAYBE GIVING US
16 SOME INFORMATION SIX MONTHS FROM NOW ON HOW THE
17 BALES HAVE WITHSTOOD THE AMOUNT OF -- WE LEARNED
18 QUITE A BIT ABOUT HOW QUICKLY THE RAILROAD TIES
19 BREAK DOWN. HOW DO THESE BALES HOLD UP AFTER SIX
20 MONTHS AND THE LEAD ISSUE AND ANYTHING LIKE THAT
21 THAT MIGHT BE OF VALUE TO US AS WELL.

22 CHAIRMAN JONES: OKAY.

23 SERGEANT HANSON: I JUST WANTED HIM TO
24 KNOW, MR. CHANDLER, WE'D BE WILLING TO SEND YOU
25 SOME DOCUMENTATION ON THAT ON A QUARTERLY BASIS IF

1 OPEN THE DOOR FOR ANYTHING.

2 CHAIRMAN JONES: WE HAVE -- WE HAVE EIGHT
3 SIGNED ONES.

4 I ASKED JOE BRICKY EARLIER IN THE --
5 IN THE ITEM IF HE BROUGHT HIS LIST. I'M NOT SURE
6 EVERYONE ON THAT LIST IS GOING TO -- TO BE, YOU
7 KNOW, HAS THE RIGHT TO FALL -- FALL INTO THIS 120
8 DAYS, BUT WE NEED TO COME UP WITH SOMETHING,
9 AND -- AND MAYBE WE SAY THESE EIGHT PLUS FOUR. I
10 MEAN, IT'S AN ARBITRARY NUMBER.

11 HOW MANY DO YOU HAVE CLOSE TO BEING
12 DONE? BE HONEST.

13 MR. BRICKY: I'LL TELL YOU --

14 CHAIRMAN JONES: HOW MANY DO YOU HAVE
15 READY TO SIGN ON THE DOTTED LINE?

16 MR. BRICKY: REALISTICALLY IN THE NEXT
17 MONTH, PROBABLY FOUR TO FIVE.

18 CHAIRMAN JONES: OKAY. SO THAT'S WHAT I
19 SAID WAS FOUR.

20 MR. BRICKY: PLUS THIS EIGHT.

21 CHAIRMAN JONES: PLUS THIS EIGHT.

22 MR. BRICKY: YEAH. WE HAVE A TOTAL OF
23 PROBABLY 30 THAT ARE -- THAT ARE LOOKING AT IT,
24 BUT WE DON'T KNOW WHAT THE TIME FRAME IS FOR THEM.

25 CHAIRMAN JONES: DOES 12 SOUND GOOD TO

1 HAVE A PROBLEM OR IT'S GOING ACCORDING TO PLAN, WE
2 CAN ALWAYS COME BACK AND REVISIT IT. BUT I THINK
3 MR. PENNINGTON IS CORRECT. YOU'RE GOING TO BE AT
4 YOUR REGULATIONS THEN.

5 CHAIRMAN JONES: WE HAD -- I LOVE THIS
6 ITEM. THIS ITEM HAS KIND OF BOUNCED ANYWHERE.

7 WE ACTUALLY HAD A -- HAD ANOTHER
8 ITEM THAT WAS, YOU KNOW, PART OF THESE THINGS,
9 COMMODITIES OR NOT. I DON'T THINK WE NEED TO TALK
10 ABOUT THAT. WE'LL DEVELOP THAT.

11 DOES EVERYBODY HAVE ALL OF THE
12 DIRECTION THAT WE NEED?

13 MR. CHANDLER: CAREN, YOU SAID YOU HAD
14 SOME QUESTIONS. GO AHEAD. WHY DON'T YOU RAISE
15 WHAT YOU -- DO YOU HAVE ANY QUESTIONS? YOU WERE
16 ASKING ME.

17 MS. TRGOVCICH: NO.

18 MR. CHANDLER: OKAY. GREAT.

19 CHAIRMAN JONES: WE'RE OKAY?

20 MEMBER PENNINGTON: PERHAPS THE NUMBER
21 TWELVE.

22 MS. RICE: THANK YOU.

23 CHAIRMAN JONES: THANK YOU. I APPRECIATE
24 ALL THE EFFORTS BY EVERYBODY INVOLVED IN THIS --
25 IN THIS ITEM.

1 MR. MANDICH: THANKS, SIR.

2 CHAIRMAN JONES: WE HAVE TO DO A QUICK
3 ONE. DON'T LEAVE, MARTHA. YOU GET ALL THREE OF
4 THEM TODAY. THREE IS A DISCUSSION ITEM, REAL
5 QUICK.

6 THE THIRD AGENDA ITEM IS STATUS
7 REPORT OF THE PUBLIC UTILITIES COMMISSION
8 DEREGULATION AB 1890 OF THE ELECTRIC UTILITIES
9 INDUSTRY.

10 WE CAN GET A QUICK VERBAL UPDATE AS
11 HAS BEEN THE PROCESS FOR THE LAST FOUR MONTHS. WE
12 DO HAVE ONE SPEAKER ON THIS ITEM, MR. BOB JUDD.

13 MS. GILDART: WE'LL TRY TO MAKE THIS ITEM
14 GO REAL FAST. NEAL JOHNSON'S GOING TO COVER VERY
15 BRIEFLY WHAT'S HAPPENED ON SOME OF THE LEGISLATION
16 SINCE THE LAST TIME WE SPOKE AND THEN DESCRIBE IN
17 SHORT DETAIL WHAT'S HAPPENING WITH SOME OF THE
18 STANDARD COSTS, SPECIFICALLY THE QUALIFYING
19 FACILITY CONTRACTS THAT MAY BE RENEGOTIATED UNDER
20 THIS DEREGULATION.

21 MR. JOHNSON: THANK YOU.

22 WHAT THIS IS GOING TO COVER IN THE
23 HANDOUT WHICH COVERS SORT OF A SUMMARY OF ISSUES
24 WHICH WERE DISCUSSED AT THE APRIL AND JUNE
25 MEETINGS. WHAT I'M GOING TO CONCENTRATE NOW ON

1 ARE SOME OF THOSE ISSUES THAT ARE SHOWN IN THE
2 BOLD FACE ON THE HANDOUT.

3 LAST MEETING, WE DISCUSSED FIVE
4 BILLS THAT HAD BEEN INTRODUCED TO DEAL WITH
5 RENEWABLE ENERGY ISSUES, BE IT BOUND GAS, MANIFOLD
6 GAS, SOLAR, ETC. THREE OF THOSE BILLS, AB 1513,
7 WHICH WAS AN INCOME TAX CREDIT BILL, HAS BEEN
8 PROGRESSING AND ACTUALLY PASSED THE STATE ASSEMBLY
9 IN EARLY JUNE. IT WAS A BILL, SB 1216, BY COSTA,
10 THAT'S NOW A TWO-YEAR BILL, WHICH WAS ORIGINALLY
11 GOING TO BE AN INCOME TAX CREDIT BASED ON ENERGY
12 OUTPUT, AND THEN -- AB OR 1179 BY WOODS, WHICH
13 DIRECTED -- DIRECTS THE DEPARTMENT OF FORESTRY TO
14 DO A STUDY ON A VARIETY OF ISSUES RELATING TO
15 BIOMASS POWER PLANTS WITH RESPECT TO WATERSHED
16 MANAGEMENT, RESTORATION, FIRE SUPPRESSION, ETC.,
17 AND THAT IS ALSO A TWO-YEAR BILL.

18 SB 90, THE FIRE INSURANCE BILL,
19 IMPLEMENTS THE ENERGY COMMISSION'S RENEWABLES
20 ALLOCATION THAT THE COMMISSION WAS DIRECTED TO DO
21 AS PART OF AB 1890. THAT BILL IS SCHEDULED FOR
22 HEARING NEXT MONDAY.

23 THE -- THERE ARE SOME ISSUES WHICH
24 I'VE IDENTIFIED DEALING WITH HOW MUCH DOES THE
25 ENERGY COMMISSION'S APPROPRIATE ADMINISTRATIVE

1 COST, WHICH IN THE ORIGINAL ALLOCATION BACK IN
2 MARCH HADN'T BEEN FACTORED IN, SO ROUGHLY 5
3 PERCENT OF TOTAL MONIES WOULD GO AWAY, WHICH MEANS
4 THERE'S EVEN LESS FOR EXISTING AND EMERGING --
5 EMERGING PROJECTS.

6 CAN -- THERE WAS SOME DEBATE OVER
7 WHETHER THE LEGISLATURE NEEDED TO ANNUALLY
8 APPROPRIATE THAT AS PART OF THE BUDGET ACT OR
9 WHETHER THEY COULD JUST TRANSFER THE MONEY TO THE
10 COMMISSION AND WHEN WE COME BACK IN THE CASE OF
11 EMERGENCY OR UNEXPENDED MONIES IN THE YEAR 2001.

12 THAT BILL IS CONNECTED WITH SB 116
13 THAT REQUIRES BOTH OF THEM TO BE PASSED FOR EITHER
14 TO TAKE EFFECT, AND 116 PROVIDES MONEY FROM
15 VOLUNTARY DISTRIBUTIONS, RENEWABLES TO SOLAR
16 ENERGY SYSTEMS.

17 ONE OF THE -- WE MENTIONED LAST
18 MONTH ONE OF THE ISSUES IN -- BEFORE THE PUBLIC
19 UTILITIES COMMISSION IN ITS MARCH TOWARDS THE
20 EVENTUALLY RESTRUCTURED MARKETS STARTING IN
21 JANUARY '98 DEALT WITH RESTRUCTURES QF
22 REQUIREMENTS, QUALIFYING FACILITIES.

23 IN THE COMMISSION IN ITS DECEMBER
24 1995 DECISION, AB 1890 PROVIDES FINANCIAL
25 INCENTIVES FOR UTILITIES TO RESTRUCTURE THOSE

1 CONTRACTS.

2 THIS BOARD HEARD BACK IN 1994 FROM A
3 NUMBER OF PARTIES WHO WERE BEING APPROACHED
4 PRIMARILY AT THAT TIME BY PG&E TO CONTRACT
5 TERMINATIONS OR BUYOUTS OF WHAT WAS THE FIXED
6 PRICE PERIOD OF THE INTRAPORT CONTRACTS.

7 THIS PROCEDURE GOES BEYOND THAT, AND
8 HERE THE UTILITIES ARE PARTICULARLY LOOKING AT
9 ACTUAL CONTRACT BUYOUT RATHER THAN A SUSPENSION OF
10 OPERATIONS FOR A WHILE, ACTUALLY BUYING OUT THE
11 CONTRACT TOTALLY.

12 THE UTILITIES HAVE IDENTIFIED ABOUT
13 200 CONTRACTS THAT HAVE ABOVE MARKET PRICE IN THEM
14 TO THE TOTAL OF TWO OR SO BILLION DOLLARS THAT
15 CAN, QUOTE, CAN BE SAVED FOR THE RATEPAYERS. AND
16 THOSE PROJECTS SPAN THE SPECTRUM FROM VERY LARGE
17 OIL POT, GAS FIRE, COGEN FACILITIES BUILT BY MAJOR
18 OIL COMPANIES DOWN TO YOLO COUNTY'S LANDFILL GAS
19 RECOVERY PROJECT AND ANYTHING IN BETWEEN, WHAT --
20 WHAT HAVE, WE FEEL, POTENTIAL IMPACT IN -- ON
21 PROJECTS PARTICULARLY WITH THOSE PROJECTS THAT
22 HAVE LONG-TERM CAPACITY PAYMENTS THAT RANGE FROM
23 ROUGHLY 1.7 TO 2.5 -- 2.5 CENTS PER KILOWATT HOUR.

24 THOSE WOULD -- UNDER THE PROPOSAL
25 WOULD ESSENTIALLY GO AWAY, SO THAT -- SO THAT

1 SUPPORT FOR THE PROJECTS WOULD VANISH.

2 THEY WOULD -- THERE WOULD BE SOME
3 CAPACITY PAYMENTS UNDER THE -- IN THE POWER
4 EXCHANGE, BUT THOSE ARE MAYBE A LITTLE BIT OF A
5 GUESS, BUT I THINK MOST PARTIES WOULD ESTIMATE
6 SOMEWHERE UNDER A CENT PER KILOWATT HOUR. AND
7 PROBABLY IF YOU LOOK AT WHAT AVAILABLE CAPACITY
8 HAS BEEN FOR THE LAST THREE OR FOUR YEARS, IT'S
9 CLOSE TO ZERO.

10 THE COMMISSION HELD A WORKSHOP BACK
11 IN MAY AND TOOK TESTIMONY FROM A NUMBER OF
12 PARTIES. THERE WAS -- THERE'S SOME PROPOSALS THAT
13 HAVE BEEN ADVANCED BY VARIOUS PARTIES OF NOTE, AND
14 THERE'S VERY LITTLE CONSENSUS AMONG THE PARTIES
15 OTHER THAN THESE DON'T CONSTITUTE DEBT WITHIN THE
16 COMMISSION'S RATE MAKING PROCEDURE AND REQUIRE
17 COMMISSION APPROVAL, AND THE COMMISSION'S APPROVAL
18 PROCESS OF CONTRACT BIAS TENDS TO BE VERY LENGTHY
19 AND LABORIOUS.

20 THE UTILITIES HAVE WHAT -- EDISON
21 HAS PROBABLY MADE THE LARGEST EFFORT TO TRY TO
22 DEFINE HOW THIS -- HOW THE BUYOUTS WOULD OCCUR,
23 HAVE RELIED UPON A PROCESS OF TRYING TO FIGURE OUT
24 THE NET INCOME OF THE QF, WHICH WOULD -- LOOKS
25 AT -- AND THAT IS DONE BY LOOKING AT THE

1 OPERATIONAL COSTS OF THE FACILITIES AND WOULD HAVE
2 AN INDEPENDENT CONTRACT EVALUATOR COME IN AND DO
3 THAT ANALYSIS THAT'S BEEN -- THE QF'S HAVE BEEN
4 VERY RETICENT ABOUT HAVING SOMEBODY ELSE LOOK AT
5 THEIR BOOKS, AND A COUPLE OF THEM HAVE MADE THE
6 COMMENT THAT IT'S HARD TO FIND ANYONE THAT'S
7 EITHER QUALIFIED OR INDEPENDENT.

8 EITHER -- THOSE THAT ARE QUALIFIED
9 AREN'T INDEPENDENT, AND THOSE THAT ARE INDEPENDENT
10 WOULDN'T BE ABLE TO DO THE JOB. THE INDEPENDENT
11 ENERGY PRODUCERS, WHICH IS A MAJOR QF GROUP, HAVE
12 ADVOCATED THAT ANY REDUCTION OF A DOLLAR OR MORE
13 IS A BENEFIT TO THE RATEPAYER, SO YOU DON'T NEED
14 TO GO THROUGH THIS REAL LABORIOUS THING OF TRYING
15 TO FIGURE OUT WHAT IS AN APPROPRIATE RATE. BUT IF
16 THE RATEPAYERS -- IF THERE'S A REDUCTION IN FUTURE
17 PAYMENTS, RATEPAYERS BENEFIT, AND THAT SHOULD BE
18 SUFFICIENT.

19 AS I SAY, BEFORE THE COMMISSION, I'M
20 NOT SURE THE COMMISSION IS REALLY GOING TO MOVE ON
21 THIS. IT'S NOT SOMETHING THAT'S REQUIRED BY LAW
22 TO HAPPEN. THERE'S A PROCEDURE. THEY'RE ALLOWED
23 TO RETAIN SOME OF THE BENEFITS OF RESTRUCTURING.
24 THEY'VE LOOKED AT STOCKHOLDERS, BUT IT IS AN ISSUE
25 OUT THERE, AND THEY HAVE SIGNIFICANT IMPACT ON THE

1 NUMBER OF RENEWABLE PROJECTS, PARTICULARLY THE BIG
2 IMPACT ON THE COMMERCE AND SERVICE FACILITIES
3 WHICH HAVE FLOOR PRICES -- FLOOR PRICE CONTRACTS
4 WITH EDISON.

5 ANOTHER ISSUE THAT'S GOING ON IS THE
6 ISSUING OF THE REFUNDING BONDS. THEIR -- THE
7 CALIFORNIA INFRASTRUCTURE BANK WILL BE ISSUING
8 BONDS THIS YEAR TO PROVIDE MONEY TO BUY OUT
9 EXISTING DEBT. AND THEN THE OTHER ISSUE THAT'S
10 MARGINED FOR RIGHT NOW IS DIRECT ACCESS PHASE IN.
11 THEORETICALLY BY JANUARY 1, '98, ANYTHING OVER 20
12 MEGAWATTS WILL BE ALLOWED DIRECT ACCESS AND OTHER
13 PARTIES AS SORT OF AS ROOM IS AVAILABLE.

14 THE COMMISSION HAS REQUIRED THE
15 UTILITIES TO FILE THEIR BASIC PROPOSED CONTRACTS
16 BY NEXT WEEK.

17 AND I THINK THAT COVERS THE THINGS I
18 WANTED TO TOUCH ON.

19 CHAIRMAN JONES: QUESTIONS?

20 MEMBER RELIS: WELL, JUST -- I'M TRYING
21 TO AGAIN INTERPRET THIS IN OUR MOST IMMEDIATE
22 SENSE. WE'VE GOT MELP, SERRF, STANISLAUS,
23 COMMERCE, AND THEN THE WOOD BURNING COGEN
24 FACILITIES. THAT'S OUR SPHERE OF INTEREST, I
25 GUESS, SO I'M TRYING TO INTERPRET WHAT YOU SAID IN

1 THE -- IN THE CONTEXT OF -- WELL, I UNDERSTAND
2 THAT 1.7 TO 2.25 PERCENT -- CENTS PER KILOWATT
3 HOUR ON THE WASTE ENERGY PROJECTS, THAT THAT WOULD
4 BE THE --

5 MR. JOHNSON: WELL --

6 MEMBER RELIS: -- COULD RESULT IN
7 ELIMINATION OF THAT INCREMENT OF --

8 MR. JOHNSON: CURRENTLY -- CURRENTLY THE
9 QF'S ARE -- THEY HAD SEVERAL OPTIONS THROUGH TIME
10 OF VARIOUS CONTRACTS.

11 THE -- THE OLD STANDARD OFFERING,
12 ONE PAID THEM SHORT RUN AND AVOIDED COST AND -- AS
13 AVAILABLE CAPACITY. THE STANDARD OFFERS TWO AND
14 FOUR PAID -- ALLOWS YOU TO HAVE A FIXED CAPACITY
15 PAYMENT, WHICH IS THAT 1.7 TO 2 AND A QUARTER
16 CENTS PER WATT HOUR.

17 MEMBER RELIS: AND THAT COULD BE
18 ELIMINATED.

19 MR. JOHNSON: AND THAT WOULD BE UNDER
20 THIS ELIMINATED BECAUSE THAT IS THE -- THEN THERE
21 WAS ALSO THE INTERIM FOUR CONTRACTS WHICH HAD AN
22 UP-FRONT FORECAST OF PRICE PERIOD.

23 MOST OF THOSE INTERIM FOUR CONTRACTS
24 ARE FALLING OFF WHAT IS CALLED THE YEAR ELEVEN
25 CLIFF. THEY'RE GOING TO THE SHORT RUN ACTUALLY,

1 EITHER HAVE ALREADY OR WILL OVER THE NEXT FEW
2 YEARS. BUT THOSE FIXED CAPACITY PAYMENT CONTRACTS
3 FOR 20 OR 30 YEARS OR 35-YEAR CONTRACTS THAT
4 EDISON CLAIMS TO HAVE SOME THAT RUN OUT TO AS LONG
5 AS 2025, AND THOSE -- WHAT THEY WOULD BUY OUT IS
6 THOSE PAYMENTS, AND SO THAT, SAY, TWO CENTS A
7 KILOWATT HOUR THAT THE PROJECT WOULD NOW HAVE
8 WOULDN'T -- WOULDN'T BE PAID DOWN THE LINE.

9 MEMBER RELIS: MAYBE JUST AS A SUGGESTION
10 FOR THE REPORTING NEXT TIME, IF YOU COULD TELL US
11 OR PRESENT THIS IN -- THE NARROWER CONTEXT OF,
12 OKAY, THIS WOULD AFF -- THIS WOULD AFFECT THESE
13 FACILITIES BECAUSE IT IS OF REAL CONCERN, WELL,
14 WHAT HAPPENS IF COMMERCE OR SERRF OR -- YOU KNOW,
15 THEY STOP OPERATING.

16 CAN WE EXPECT THAT? WOULD MELP --
17 WHATEVER IS GOING ON WITH MELP AND THEN WE
18 ANTICIPATED THIS ACTION GOES FORWARD, IF YOU CAN
19 MAKE THIS, THAT SO MANY MORE BIOMASS FACILITIES
20 MAY NOT OPERATE.

21 MS. GILDART: JUST A POINT OF CLARIFICA-
22 TION, THAT CERTAINLY NARROWS SOME OF THE FOCUS OF
23 SOME OF OUR DISCUSSION IN THE FUTURE, BUT WHAT
24 NEAL HAD SAID ORIGINALLY IS THAT THE BUYOUT OF
25 THESE SPECIFIC CONTRACTS AFFECTED COMMERCE, SERRF,

1 AND SOME OF THE ONES IN THE PROJECT. THEY'RE THE
2 ONES THAT HAD THESE CONTRACTS AT THAT FIXED PRICE
3 OVER A 20-, 30-YEAR PERIOD.

4 IF THIS GOES THROUGH RENEGOTIATION,
5 THE UTILITIES BUY OUT THOSE CONTRACTS SO THEY MAKE
6 UPFRONT PAYMENTS SO THEY DON'T HAVE THE LONG-TERM
7 ONES, IT WILL IMPACT THOSE, AND WE WILL HAVE TO
8 ANALYZE WHAT THAT ACTUAL IMPACT WOULD BE ON THOSE
9 FACILITIES AS THESE NEGOTIATIONS ADVANCE.

10 THE OTHER FACILITIES THAT YOU
11 MENTIONED, THE BIOMASS PLANTS AND MELP, ARE THE
12 ONES UNDER THE INTERIM STANDARD OFFER --

13 MEMBER RELIS: CORRECT.

14 MS. GILDART: -- FOUR THAT'S FALLING OFF
15 THE CLIFF. AND WE'VE DISCUSSED THOSE IN THE PAST,
16 SO WE HAVE TO CONTINUE TO EXPLAIN WHAT'S GOING TO
17 HAPPEN TO THEM AS THINGS MOVE FORWARD.

18 WE WOULD BE HAPPY TO EXPLAIN.

19 MR. JOHNSON: I THINK WE CAN TRY TO
20 CREATE -- GIVE YOU SEVERAL SCENARIOS WHERE SOME OF
21 IT IS -- WE'RE NOT QUITE SURE THE -- EXACTLY HOW
22 THE IMPACT. MOST -- I THINK MOST OF THE BIOMASS
23 PLANTS, I KNOW COMMERCE AND SERRF HAVE HAD
24 DISCUSSIONS.

25 MEMBER RELIS: WELL, YOU CAN JUST SAY

1 IT'S STILL TO BE DETERMINED, INDEFINITE.

2 MR. JOHNSON: RIGHT.

3 MEMBER RELIS: IT'S JUST THAT I THINK
4 THAT THAT WOULD GET US FOCUSED ON OUR AREA OF
5 CONCERN.

6 MR. JOHNSON: OKAY.

7 CHAIRMAN JONES: WE HAVE ONE SPEAKER ON
8 THIS ITEM WHO HAS BEEN WAITING PATIENTLY THROUGH
9 OUR OTHER AGENDA ITEMS, MR. BOB JUDD.

10 MR. JUDD: THANK YOU, MR. CHAIR. I'VE
11 LEARNED MORE ABOUT BALED TIRES TODAY THAN I
12 THOUGHT I'D KNOW IN A LIFETIME.

13 THIS WILL BE VERY BRIEF, AND IT'S
14 MEANT TO BE A VERY PRAGMATIC AND IMMEDIATE
15 SHORTHAND BRIEFING ON THIS ELECTRICITY
16 DEREGULATION FACILITY AND HOW IT AFFECTS SOME OF
17 THE GENERATING FACILITIES THAT ARE USING WASTE
18 TIRES AS FUEL.

19 WE HAVE HAD -- AND I SPEAK HERE BOTH
20 ON BEHALF OF MODESTO ENERGY AND THE BIOMASS ENERGY
21 FACILITIES, THE FORTY THAT I REPRESENT.

22 WE HAVE HAD A NOTABLY UNSUCCESSFUL
23 YEAR IN THE LEGISLATURE THIS YEAR. TWO BILLS THAT
24 WENT FORWARD ON BEHALF OF THE BIOMASS INDUSTRY TO
25 TRY TO BEGIN THE PROCESS OF COST SHIFTING, WHICH

1 WAS, AS YOU REMEMBER IN THE ELECTRICITY
2 DEREGULATION BILL LAST YEAR; THAT IS, TAKE THE
3 COSTS OFF THE ELECTRIC RATEPAYERS AND PUT IT ON
4 THOSE WHO BENEFIT FROM THE CLEANER AIR, THE WASTE
5 MANAGEMENT OF THESE FACILITIES, THE TWO BIOMASS
6 BILLS BOTH BECAME TWO-YEAR BILLS.

7 WE COULD NOT GET THEM OUT OF THE
8 COMMITTEE FOR VARYING REASONS, AS DID THE MELP
9 BILL. BOTH THE MELP BILL AND THE LARGE BIOMASS
10 BILL WERE BASED ON TAX CREDITS, AND WE DON'T HAVE
11 A LEGISLATURE THAT'S VERY SYMPATHETIC TO TAX
12 CREDITS.

13 WE ARE UNSURE AS TO WHAT WE'LL DO
14 WITH THE MELP BILL. MY GUESS IS THAT WE WILL COME
15 BACK WITH A REFINED BILL NEXT YEAR IN THE
16 LEGISLATURE ON THAT.

17 MELP GOES OFF THE CLIFF EITHER THIS
18 SEPTEMBER OR NEXT APRIL. CONSEQUENTLY, THEY LOSE
19 ABOUT 60 PERCENT OF THE REVENUES THAT THEY
20 CURRENTLY RECEIVE.

21 ON THE BIOMASS SIDE, WE HAVE DECIDED
22 IN LARGE PART NOT TO PUSH FORWARD IN THE REMAINING
23 EIGHT WEEKS OF THE LEGISLATURE TO TRY TO JAM SOME
24 SORT OF COST SHIFTING METHOD THROUGH. WE FEEL
25 THAT WE HAVE TO REFINE THE MESSAGE A LITTLE BETTER

1 THAN WE CURRENTLY HAVE.

2 WE'RE LOOKING AT THREE AREAS, JUST
3 SO YOU KNOW, AND THAT IS THE STATE PURCHASE OF THE
4 ELECTRICITY GENERATED BY THE BIOMASS FACILITIES.
5 YOU DON'T GAIN THE BENEFITS, THE WASTE MANAGEMENT,
6 THE AIR QUALITY BENEFITS, THE REDUCTION OF FOREST
7 FIRE RISK AND SEVERITY UNLESS YOU GENERATE THE
8 ELECTRICITY; AND YOU DON'T GENERATE THE
9 ELECTRICITY UNLESS YOU'VE GOT A BUYER FOR IT. AND
10 THE ELECTRICITY THAT BIOMASS PLANTS GENERATE IS
11 MORE EXPENSIVE THAN PEOPLE WILL PAY IF YOU BUY OUT
12 OF THIS NEW POWER EXCHANGE THAT IS BEING CREATED.

13 SO YOU'VE GOT TO COVER THE GAP
14 SOMEHOW. THE BENEFICIARIES HAVE TO PAY FOR IT,
15 BUT WHO ARE THE BENEFICIARIES? ARE THEY THE
16 PRIVATE FOREST LAND OWNERS; ARE THEY THE TAXPAYERS
17 IN A BROADER SENSE? SO THAT HAS TO BE FLUSHED
18 OUT.

19 STATE PURCHASE MAY BE ONE WAY TO DO
20 IT. WE MAY LOOK AT A REVISION OF THE TAX CREDIT
21 PROPOSAL THAT WE DID, THE ORIGINAL BILL THAT WAS
22 DEFEATED THIS YEAR, THAT WOULD HAVE GIVEN A TAX
23 CREDIT TO THE FACILITIES TO COVER THE COST.
24 DIDN'T FLY.

25 WE ARE NOW DEVELOPING AN IDEA THAT

1 MAY PROVIDE THE TAX CREDIT TO THE CONSUMERS OF THE
2 ELECTRICITY AND, IN THIS WAY, BRING THE GREEN
3 MARKETERS IN BEHIND THE BIOMASS INDUSTRY BECAUSE
4 THEY CAN THEN SELL BIOMASS POWER GREEN ELECTRICITY
5 TO CONSUMERS AT ESSENTIALLY A DISCOUNTED PRICE.

6 AND THIRD, WE'RE LOOKING AGAIN AT
7 THE PORTFOLIO STANDARD, WHICH WAS THE ORIGINAL
8 GENESIS OF THE ENTIRE RENEWAL INDUSTRY'S EFFORTS;
9 THAT IS, ANY ELECTRICITY SOLD IN THE STATE SHALL
10 HAVE A CERTAIN COMPONENT OF RENEWABLE ELECTRICITY.
11 WELL, WE COULDN'T SELL THAT. THE UTILITIES
12 OPPOSED THAT VERY STRONGLY. WE COULDN'T GET THAT
13 OUT OF -- OUT OF THE LEGISLATURE.

14 INTERESTINGLY, STATE OF MAINE JUST
15 PASSED ITS ELECTRICITY DEREGULATION BILL. IT HAS
16 A 30-PERCENT PORTFOLIO. THAT IS, IN THE STATE OF
17 MAINE WHEN YOU BUY ELECTRICITY IN THE FUTURE, 30
18 PERCENT OF WHAT YOU BUY WILL CONTAIN RENEWABLE
19 RESOURCES.

20 WE TRIED TO GET 10 PERCENT IN
21 CALIFORNIA AND COULDN'T GET IT. NOW ALL OF THE
22 RENEWABLES, EXCEPT BIOMASS AND THE MODESTO
23 FACILITY, ARE PRETTY WELL TAKEN CARE OF, SO YOU'RE
24 REALLY ONLY DEALING WITH 2 PERCENT.

25 A 2-PERCENT PORTFOLIO STANDARD MIGHT

1 BE A LOT MORE SALABLE THAN A 10-PERCENT STANDARD
2 THAT WE TRIED FOR THE LARGER INDUSTRY CAPACITY.
3 THOSE ARE THE KIND OF IDEAS THAT WE'RE TOYING
4 WITH.

5 LOOKING FORWARD, AND BRIEFLY THIS
6 YEAR, YOU WILL HEAR AT -- AT YOUR NEXT FULL BOARD
7 MEETING RECOMMENDATIONS REGARDING SENATE BILL 90.
8 THIS IS A FIRE INSURER'S PEACE BILL. IT'S MEANT
9 TO IMPLEMENT THE RECOMMENDATIONS FROM THE ENERGY
10 COMMISSION ON HOW TO ALLOCATE THIS \$540 MILLION.

11 THIS IS THE INTERIM MONEY, THE
12 SHORT-TERM MONEY THAT SUPPORTS RENEWABLES UNTIL
13 THEY CAN COME TO A PRICE. IT'S A VERY BAREBONES
14 BILL NOW. WHAT IT ESSENTIALLY DOES IN OUTLINE
15 FORM IS -- IS LAY OUT WHAT THE ENERGY COMMISSION
16 RECOMMENDED.

17 THERE'S A HEARING ON IT NEXT WEEK.
18 WE HOPE TO SEE SUBSTANTIVE AMENDMENTS BEFORE THEN.
19 OUR POSITION AS AN INDUSTRY ON THAT, BOTH FROM
20 MELP AND THE BIOMASS GUYS, IS LET'S SEE WHAT THEY
21 COME UP WITH.

22 IF THEY STAY WITH WHAT THEY HAVE,
23 WITH FINE-TUNING IT'S PROBABLY OKAY, BUT THERE ARE
24 A LOT OF FORCES OUT THERE THAT DON'T WANT TO
25 SWITCH MONEY OUT OF THEIR POCKET INTO THESE NEW

1 TECHNOLOGIES WHICH ARE NOT IN THEIR INTERESTS.

2 IF WE HAVE THE OPPORTUNITY IN SB 90,
3 WE WILL TRY TO INTRODUCE ONE OF THESE COST
4 SHIFTING MECHANISMS THAT WE TALKED ABOUT, BUT IT
5 WILL BE AN OPPORTUNISTIC BASIS RATHER THAN AS A
6 CAMPAIGN TO DO THAT.

7 I HAD ONE OTHER THING I WANTED TO
8 TELL YOU HERE. OH, NEAL MENTIONED IT BRIEFLY.
9 SOME OF THIS MONEY MAY NOT SURFACE FOR A WHILE.
10 THE LEGISLATURE FEELS PRETTY STRONGLY THAT YOU
11 SHOULD COME BACK TO THE LEGISLATURE EVERY YEAR AND
12 ARGUE FOR THE MONEY THAT'S ALREADY BEEN ALLOCATED,
13 MAKE EVERYTHING A DISTRICT ISSUE AND IT WILL WORK
14 OUT FOR THE LEGISLATORS. THEY ARGUE THAT IT
15 SHOULD ALL GO INTO THE STATE CONTRACTS CODE, WHICH
16 MEANS SIX TO ELEVEN MONTHS FOR THIS BIT OF MONEY.
17 IT HAS TO COMPLY WITH THE ADMINISTRATIVE
18 PROCEDURES ACT.

19 WELL, MONEY THAT ALL OF THESE
20 PLANTS, MANY OF OUR PLANTS, PARTICULARLY THE
21 BIOMASS, HOLD ON BY THEIR FINGERNAILS IN
22 ANTICIPATION OF THESE ALLOCATIONS ARE SAYING, HOLY
23 TOLEDO, ANOTHER ELEVEN MONTHS, ANOTHER THIRTEEN
24 MONTHS, WE DON'T KNOW WHERE THE MONEY'S GOING TO
25 COME FROM, SO THAT'S GOING TO BE AN ISSUE.

1 SO I RAISE THESE IN CONTEXT BECAUSE
2 IN THE NEXT 60 DAYS, THINGS COULD BE OKAY FOR
3 BIOMASS AND MELP OR THEY COULD TAKE A TURN
4 DOWNHILL.

5 YOUR POLICY HAS BEEN TO SUPPORT BOTH
6 OF THESE INDUSTRIES. WE MAY HAVE TO COME BACK TO
7 YOU ON A SHORTER TERM BASIS AND SAY, "LOOK, THIS
8 IS ABOUT TO HAPPEN. WE NEED SOME HELP WITH
9 CAL-EPA." WE REALIZE YOU CAN'T DO ANYTHING SUPER
10 FORMALLY.

11 FINALLY, THE THING I FORGOT. A
12 NUMBER OF OUR PLANTS ARE BEGINNING TO USE
13 SUBSTANTIALLY MORE URBAN WASTES. I'LL GIVE YOU
14 ONE EXAMPLE IS OUR COAL MINING PLANT, ONE OF OUR
15 NEWEST AND LARGEST PLANTS DOWN IN MECCA, SALTON
16 SEA AREA. BECAUSE OF RESIDENTIAL AND COMMERCIAL
17 DEVELOPMENT OUT OF THAT COACHELLA VALLEY AREA,
18 AGRICULTURE'S BEING DISPLACED. THEY WERE USING A
19 SUBSTANTIAL NUMBER OF AGRICULTURAL TRIMMINGS DOWN
20 THERE.

21 THIS YEAR, '97 COMPARED TO '96,
22 THEY'RE USING 25 PERCENT LESS AGRICULTURAL FUEL
23 THAN WE DID. WHEN YOU COMPARE WHAT THEY EXPECT
24 THROUGH '98, THEY'LL BE USING 50 PERCENT LESS
25 AGRICULTURAL RESIDUE, THEREFORE 50 PERCENT MORE

1 URBAN WASTE. I'M GETTING LESS QUANTIFIED, BUT
2 SIMILAR REPORTS FROM SOME OF OUR OTHER PLANTS, SO
YOU SHOULD BE AWARE OF THAT BECAUSE IT AFFECTS THE
FLOW AND THE 50 PERCENT ALL THE TIME.

SO THAT'S -- THAT'S WHERE WE STAND
FOR NOW.

CHAIRMAN JONES: ALL RIGHT. ANY
QUESTIONS? THANKS, MR. JUDD.

MEMBER PENNINGTON: THANKS, BOB.

CHAIRMAN JONES: I WANT TO THANK NEAL AND
MARTHA FOR THE ITEM. WE APPRECIATE IT.

AND IF THERE IS -- OUR LAST ITEM IS
OPEN DISCUSSION. IF ANYBODY WANTS TO SPEAK UNDER
OPEN DISCUSSION. I GUESS NOT.

THIS MEETING IS ADJOURNED.

(THE MEETING CONCLUDED AT 2:02 P.M.)

Use note: These transcripts are not individually reviewed and approved for accuracy.